

Lode Gold Resources Inc.

Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Lode Gold Resources Inc.

Opinion

We have audited the consolidated financial statements of Lode Gold Resources Inc. and its subsidiaries (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, 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 International Financial Reporting Standards ("IFRS").

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. 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 2(b) in the consolidated financial statements, which indicates that the Company has a history of losses, with an accumulated deficit and working capital deficiency as at December 31, 2024. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), indicate that material uncertainties exist that 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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 were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises 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, 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 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 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 judgement 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 risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

A handwritten signature in black ink that reads "McGovern Hurley LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 30, 2025

Lode Gold Resources Inc.
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(Expressed in Canadian dollars)

	December 31, 2024		December 31, 2023 (restated-note 3)	
Assets				
Current assets				
Cash	\$	309,182	\$	23,638
Marketable securities (Note 6)		18,000		18,000
Subscription receivable (Note 11(iv))		335,150		-
Prepaid expenses (Note 7)		186,264		148,335
Term deposits		15,000		30,224
Sales tax receivable		171,637		44,539
Total current assets		1,035,233		264,736
Non-current assets				
Restricted cash (Note 11(vii))		417,647		-
Prepaid expenses (Note 7)		550,000		-
Property and equipment		128,662		145,694
Land held in Mariposa, CA		7,149,546		7,149,546
Mineral exploration and evaluation assets (Note 7)		17,693,664		18,949,227
Investment in joint venture (Note 8)		2,016,468		-
Total assets	\$	28,991,220	\$	26,509,204
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities (Note 10)	\$	2,023,244	\$	1,083,350
Derivative liabilities (Note 9 and 11)		931,035		403,642
Loan payable (Note 9)		4,117,179		2,935,701
Working capital loans (Note 10)		-		500,000
Total current liabilities		7,071,458		4,922,693
Non-current liabilities				
Rehabilitation provision (Note 7)		14,554		14,282
Total liabilities	\$	7,086,012	\$	4,936,975
Shareholders' equity				
Share capital (Note 11)	\$	43,049,570	\$	40,380,154
Special warrants (Note 11)		500,000		-
Contributed surplus (Note 11)		5,060,289		4,149,403
Deficit		(28,957,704)		(22,957,328)
Shareholders' equity	\$	19,652,155	\$	21,572,229
Non-controlling interest (Note 11)		2,253,053		-
Total shareholders' equity		21,905,208		21,572,229
Total liabilities and shareholders' equity	\$	28,991,220	\$	26,509,204
Going concern (Note 2)				
Commitments and contingencies (Note 14)				
Subsequent events (Note 16)				

Approved on behalf of the Board of Directors

Director "Hashim Ahmed"

Director "Scott Rasenberg"

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

Lode Gold Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

	2024	2023
Expenses		
General and administrative (Note 10)	\$ 2,286,155	\$ 1,256,914
Share-based compensation (Note 10, 11)	458,422	200,961
Finance costs (Note 9)	612,212	546,461
Loss on loan modification (Note 9)	-	78,737
Loss (gain) on foreign exchange	250,637	(63,417)
Accretion and amortization	372,148	68,723
Total expenses	3,979,574	2,088,379
Loss from operations before the undernoted	(3,979,574)	(2,088,379)
Unrealized loss on marketable securities (Note 6)	-	(18,000)
Other income (Note 11)	5,454	-
Change in fair value of derivative liability (Note 9)	74,530	143,667
Legal settlement recovery (Note 14)	-	1,143,021
Loss and net comprehensive loss for the year	(3,899,590)	(819,691)
Net income (loss) attributed to		
Non-controlling interests	\$ (16,718)	\$ -
Shareholders of the company	(3,882,872)	(819,691)
Basic and diluted loss per share	\$ 0.11	\$ 0.04
Weighted average number of shares:		
Basic and diluted	35,560,530	22,077,354

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

Lode Gold Resources Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

	Number of issued and outstanding shares	Share capital	Special warrants	Contributed surplus	Deficit	Shareholders' equity	Non- controlling interest	Total equity
		\$	\$	\$	\$	\$	\$	\$
Balance at December 31, 2022	21,458,248	38,720,420	-	3,948,442	(22,137,637)	20,531,225	-	20,531,225
Shares issued in private placements	200,000	100,000	-	-	-	100,000	-	100,000
Share-based compensation	-	-	-	200,961	-	200,961	-	200,961
Shares issued in respect of E&E properties	311,909	136,821	-	-	-	136,821	-	136,821
Shares issued in exchange for debt (Note 10, 11)	5,706,372	1,426,593	-	-	-	1,426,593	-	1,426,593
Share issue costs	-	(3,680)	-	-	-	(3,680)	-	(3,680)
Comprehensive loss for the year	-	-	-	-	(819,691)	(819,691)	-	(891,691)
Balance at December 31, 2023	27,676,529	40,380,154	-	4,149,403	(22,957,328)	21,572,229	-	21,572,229
Shares issued in private placements	11,693,931	2,483,348	500,000	447,312	-	3,430,660	-	3,430,660
Shares issued in subsidiary	-	-	-	-	(2,117,504)	(2,117,504)	2,269,771	152,267
Share-based compensation	-	-	-	458,422	-	458,422	-	458,422
Shares issued in respect of E&E properties	606,955	217,239	-	-	-	217,239	-	217,239
Share issue costs	-	(31,171)	-	5,152	-	(26,019)	-	(26,019)
Comprehensive loss for the year	-	-	-	-	(3,882,872)	(3,882,872)	(16,718)	(3,899,590)
Balance at December 31, 2024	39,977,415	43,049,570	500,000	5,060,289	(28,957,704)	19,652,155	2,253,053	21,905,208

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

Lode Gold Resources Inc.
Consolidated Statements of Cash Flow
For the years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

	2024	2023
Operating activities		
Net loss for the year	\$ (3,899,590)	\$ (819,691)
Items not affecting cash:		
Share-based payments (Note 10, 11)	458,422	200,961
Marketable securities - market value adjustment (Note 6)	-	18,000
Fair value adjustment of derivative liability	(74,530)	(143,667)
Finance costs	638,289	546,461
Loss on loan modification (Note 9)	-	78,737
Legal settlement recovery (Note 14)	-	(1,143,021)
Other income	(5,454)	-
Unrealized foreign exchange	231,751	(63,417)
Accretion and amortization	373,515	68,723
Change in non-cash working capital (Note 5)	219,247	447,580
Net cash used in operations	(2,058,350)	(809,334)
Investing activities		
Acquisition of option on Golden Culvert (Note 7)	(20,100)	(195,100)
Acquisition of option on McIntyre Brook (Note 7)	(117,000)	(180,000)
Expenditures on mineral exploration and evaluation assets (Note 7)	(406,566)	(687,925)
Prepaid exploration and evaluation (Note 7)	(550,000)	-
Redemptions of term deposits	30,224	-
Restricted cash	(417,647)	-
Purchase of term deposits	(15,000)	-
Investment in joint venture (Note 8)	(1,759,810)	-
Government assistance	20,000	68,000
Net cash used in investing activities	(3,235,899)	(995,025)
Financing activities		
Proceeds from shares issuances (Note 11)	3,100,964	125,000
Proceeds from shares issued in subsidiary (Note 8)	3,049,620	-
Proceeds (to) from working capital loans (Note 10)	(500,000)	500,000
Interest paid	(44,772)	(161,869)
Share issue costs	(26,019)	(4,313)
Net cash from financing activities	5,579,793	458,818
Change in cash	285,544	(1,345,541)
Cash - beginning of the year	23,638	1,369,179
Cash - end of the year	\$ 309,182	\$ 23,638

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

1. Corporate information

Lode Gold Resources Inc. (“Lode Gold” or “the Company”) is in the business of acquiring and exploring mineral properties in North America. The Company was incorporated under the Business Corporations Act (Alberta) on March 5, 1986, and is listed on the TSX Venture Exchange, having the symbol TSX.V: SB, as a Tier 2 mining issuer and is in the process of exploring its optioned Golden Culvert property in the Yukon Territory, its mineral properties in the province of New Brunswick, and its Fremont property in Mariposa County, California. Subsequent to December 31, 2024, the Company has continued to British Columbia.

Lode Gold Resources Inc. has the following Canadian and US wholly owned subsidiaries (collectively with Lode Gold, “the Company”):

- California Gold Mining Inc. (CAD) - acquired during 2021
- California Gold Mining Inc. (US) - acquired during 2021
- Fremont Gold Mining LLC (US) - acquired during 2021

It also owns 80.1% of 1475039 B.C. Ltd. in Canada, and 50% of a joint venture Acadian Gold Corp. in Canada.

The address of the Company’s principal office is 100 King Street West, Suite 5700, Toronto, Ontario, Canada, M5X 1C7.

On August 27, 2024, the Company with its subsidiary, 1475039 B.C. Ltd. (the “Spin Co”), announced it had entered into an agreement (the “Agreement”) with Fancamp Exploration Ltd. (“Fancamp”) (TSX Venture Exchange: FNC) and the Spin Co (also referred to as “Gold Orogen”), to advance the exploration and development of certain mineral properties located in the Yukon and New Brunswick (the “Fancamp Investment Agreement”). Pursuant to the Fancamp Investment Agreement:

- Lode Gold transferred all of its interests in its McIntyre Brook mineral property located in New Brunswick (the “McIntyre Brook Property”) and Fancamp transferred all of its interests in the Riley Brook mineral property located in New Brunswick (the “Riley Brook Property”) to a newly incorporated joint-venture entity (“JV Co” or “Acadian Gold Corp.”) in which Fancamp and Spin Co each owns 50% of the outstanding shares (the “JV Co Shares”), and for which Fancamp is the Operator.
- Lode Gold transferred to Spin Co both its Golden Culvert mineral property located in Selwyn Basin, Tombstone Belt, southeastern Yukon, and its nearby Win mineral property located in the Tombstone Belt, southeastern Yukon.
- Fancamp directly and indirectly invested \$2,500,000 into Spin Co (the “Fancamp Investment”) in exchange for such number of common shares of Spin Co (“Spin Co Shares”) as is equal to 19.9% of the outstanding Spin Co Shares on an undiluted basis, after completion of the Spin Out.
- Fancamp invested \$500,000 into Lode Gold in exchange for 1,428,571 special warrants (“Lode Gold Special Warrants”) on a private placement basis, at an issue price of \$0.35 per Lode Gold Special Warrant. Each Special Warrant, upon completion of the Spin Out, will convert to one common share of Lode Gold and one 5-year Lode Gold share purchase warrant with an exercise price of \$0.5 per share will convert into a common share of Lode Gold .

2. Basis of preparation

- Lode Gold intends to undertake a spin-out transaction of Spin Co (the “Spin Out”) pursuant to which each shareholder of Lode Gold would receive Spin Co shares for each common share of Lode Gold (each, a “Lode Gold Share”) held on the effective date of the Spin Out, whereby Spin Co will become a reporting issuer.

Completion of the Transaction is subject to approval of the TSX Venture Exchange (the “TSX-V”).

The consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2025.

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretation made by the International Financial Reporting Standards Interpretation Committee (“IFRIC”).

b) Basis of measurement and going concern

The business of exploring for mineral resources involves a high degree of risk and there can be no assurance that the Company’s exploration programs will result in profitable operations. The Company’s ability to repay its loans, to meet its obligations arising from exploration and development activity and to provide working capital for normal operations is dependent upon the existence of economically recoverable reserves; the ability of the Company to continue to secure financial support from the public market; the ability to complete future equity financing; as well as the ability to generate future profitable production or proceeds from the disposition of its properties. The Company has a history of losses, with an accumulated deficit

2. Basis of preparation - continued

of \$21,905,208 (2023 - \$22,957,329) and a working capital deficiency of \$6,036,225 (2023 - \$1,318,614) as at December 31, 2024. The Company is dependent on its ability to raise additional funds through equity financing in order to meet the Company's current liabilities and continue exploring its mineral resources. As there is no assurance the Company will be successful in these efforts, these conditions result in material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

c) Basis of consolidation

These consolidated financial statements include the accounts of Lode Gold and its wholly owned subsidiaries, and its 80.1% owned subsidiary. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries and joint venture are prepared for the same reporting period as the Company, using consistent accounting policies. All intercompany transactions and balances have been eliminated.

d) Currency translation

The consolidated financial statements are presented in Canadian dollars ("CDN") which is also the functional currency of the parent and its subsidiaries.

3. Summary of material accounting policies

a) Cash and cash equivalents

Cash includes cash on hand, deposits and term deposits held with financial institutions.

b) Restricted cash

Restricted cash is comprised of cash held in trust account that is to be used in exploration expenditures within the year ending December 31, 2025.

c) Foreign currency

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are carried at fair value and were measured in a foreign currency are translated at the rate prevailing at the date when the fair value was determined. Foreign exchange gains and losses on the foregoing transactions are recorded in profit or loss.

3. Summary of material accounting policies - continued

d) Mineral exploration and evaluation expenditures

i) Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred. Pre-exploration costs are those incurred prior to obtaining the legal right to explore.

ii) Exploration and evaluation expenditures

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

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain E&E 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 consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

iii) Developed and producing properties

Once technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be a mine under development and is classified as property, plant and equipment. Once commercial production has commenced, these costs are amortized using the units-of-production method based on proven and probable reserves. Production facilities and equipment are stated at cost and are depreciated using the units-of-production method at rates sufficient to depreciate the assets over their estimated useful lives, not to exceed the life of the mine to which the assets relate.

e) Property and equipment

i) Recognition and measurement

On initial recognition, property and equipment are measured at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing the items. The corresponding liability is recognized within provisions.

3. Summary of material accounting policies - continued

Property and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land, which is not depreciated.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item 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 property, plant and equipment are recognized in profit or loss as incurred.

iii) Gains and losses

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income and expenses in profit or loss.

iv) Depreciation

Depreciation is recognized in profit or loss and is provided on a declining balance basis over the estimated useful life of the assets as follows:

Office equipment	Declining balance at 20%
Computer equipment	Declining balance at 30%
Buildings and structures	Declining balance at 4%

f) Impairment of non-financial assets

Non-financial assets, including E&E assets and property, plant and equipment are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"). An asset's CGU is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has determined its CGUs on an area-by-area basis.

An impairment loss is charged to profit or loss.

3. Summary of material accounting policies - continued

Management has adopted a policy whereby if it is determined that a property no longer has economic viability (i.e., leases or licenses have expired or will expire in the near future without renewal, future expenditures are not planned for the area or the carrying amount of the asset is unlikely to be recovered in full from development or sale), the Company will immediately impair 100% of the costs of the property.

g) General provisions

Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

h) Rehabilitation provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral evaluation and exploration assets. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located. When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in exploration or development of mineral evaluation and exploration assets.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statement of loss.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

3. Summary of material accounting policies - continued

i) Financial instruments

The Company's financial instruments include cash, restricted cash, term deposits, marketable securities, subscription receivable, loan payable, working capital loans, derivative liability, and accounts payable and accrued liabilities.

a) Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either Fair Value through Profit and Loss ("FVPL") or Fair Value through Other Comprehensive Income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company's financial assets measured at amortized cost include cash, restricted cash, subscription receivable and term deposits.

The Company's financial assets at FVPL include marketable securities. Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement - financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statements of loss.

Subsequent measurement - financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss.

3. Summary of material accounting policies - continued

Subsequent measurement - financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss. Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company has elected to apply the simplified approach to impairment of receivables as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs. The Company's financial liabilities include accounts payable and accrued liabilities and loans payable, measured at amortized cost. The Company's financial liabilities at FVPL include the derivative liability and working capital loans.

3. Summary of material accounting policies - continued

Subsequent measurement - financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of loss.

Subsequent measurement - financial liabilities at FVPL

Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss.

j) Investment in joint venture

Investment in joint venture is comprised of the Company's 50% interest in JV Co. (Acadian Gold Corp.) that is under joint control. Joint control arises because the Company has a 50% interest in the JV Co., board representation, and joint participation in overall strategy development. Investment in joint venture is accounted for using the equity method and is initially recognized at cost.

The Company assesses at each year end whether there is any objective evidence that its interest in joint venture is impaired. If impaired, the carrying value of the Company's share of the underlying assets of joint venture is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal or value in use) and charged to the statement of loss.

k) Share capital

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

3. Summary of material accounting policies - continued

l) Flow-through shares

From time to time the Company will issue flow-through common shares to finance a portion of its exploration program. These shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company splits the flow-through shares 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. When expenses are renounced with the appropriate tax filings made in a prescribed manner to the Government of Canada, 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.

Proceeds received from the issuance of flow-through shares are to be used only for Canadian resource property exploration expenditures. 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 paid. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

m) Share-based payments

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

Where the terms and conditions of options are modified before they vest, the incremental fair value of the options, measured as the difference between the fair value immediately before and after the modification, is charged to the statement of loss and comprehensive loss over the remaining vesting period.

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

3. Summary of material accounting policies - continued

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are an expense directly related to the issuance of shares. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by reference to the fair value of the equity instruments issued.

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

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

n) Loss per share

The calculation of basic loss per share is based on loss for the year divided by the weighted average number of common shares outstanding for the year. Diluted loss per share is equal to basic loss per share as the effect of potentially dilutive options and warrants would be anti-dilutive as the Company is in a loss position.

o) Government incentives

Government incentives received for mineral property expenditures are accrued when there is reasonable assurance of realization and are applied against the related asset.

p) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statement of loss and comprehensive 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.

3. Summary of material accounting policies - continued

Deferred tax is recognized by 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 utilised. 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.

Under the equity method of accounting, the investments are initially recognized at cost, which includes transaction costs, and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Company's share of losses in the equity-accounted investment equals or exceeds its interest in the equity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

q) New accounting policies

During 2024, the Company adopted the amendments to IAS 1 which, clarified that the classification of liabilities as current or noncurrent is based solely on the Company's right to defer settlement at the reporting date. Adoption of this amendment is to be done retrospectively. As a result, the Company's loan payable and related derivative liability conversion feature were required to be reclassified as current liabilities as at December 31, 2023. The 2023 consolidated statement of financial position has been restated to reflect the loan payable and its associated derivative liability as current liabilities. As at December 31, 2023, current liabilities increased and non-current liabilities decreased by \$3,339,343. There were no changes to the consolidated statements of loss and comprehensive loss, changes in shareholders' equity or cash flows as a result of this amendment.

r) Future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect amounts reported in the consolidated financial statements. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in total comprehensive 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.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to amounts recognized in the consolidated financial statements are discussed below:

a) Exploration and evaluation expenditure

Estimates

In situations where indicators of impairment are present for the Company's mineral E&E assets, estimates of recoverable amount must be determined as the higher of the CGU's estimated value in use or the estimated fair value less costs to sell.

Judgments

Management uses judgment in determining whether or not there are indicators of impairment for its CGUs. The results of management's assessment could result in an impairment test not being performed when indicators did in fact exist, which could impact the valuation of the CGUs' carrying values. Management uses judgment in determining what constitutes a CGU (Note 3e).

The CGUs identified by the Company are as follows:

- a) Bathurst Group;
- b) Golden Culvert;
- c) McIntyre Brook;
- d) Fremont; and
- e) Dingman

b) Income taxes

Estimates

Deferred tax assets and liabilities are determined using the tax rates expected to be in effect at the time the assets are realized and liabilities settled. The actual tax rate in effect at that time may vary from the expected tax rates.

4. Critical accounting estimates and judgments - continued

Judgments

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may differ materially from the amount included in the tax liabilities.

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there will be future taxable profit available against which the unused tax losses can be utilized.

4. Critical accounting estimates and judgments - continued

c) Share-based payment transactions

Estimates

The Company measures the cost of equity-settled transactions with directors, officers and consultants by reference to the fair value of the equity instruments at the date at which they are granted.

Judgments

Estimating fair value for share-based payment transactions requires management's judgment in determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This valuation requires the determination of the most appropriate inputs including the expected life of the share option (based on historical times between vesting date and exercise date) and share price volatility (based on historical share price volatility). In addition, the amount recognized is based on the number of equity instruments expected to ultimately vest, which relies on estimates of forfeiture rates which is based on historical evidence of forfeitures. History may not always be indicative of the future and as a result, the value determined has significant estimation uncertainty. The same estimates are required for transactions with non-employees where the fair value of the goods or services received cannot be reliably determined.

d) Contingencies

Refer to Note 14.

e) Reclamation provision

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Such estimates are also subject to change due to changes in inflation and discount rates.

f) Derivative liabilities

The Company values derivative liabilities by reference to their fair value at the date at which the instrument is granted and at each reporting period. Estimating fair value requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life and volatility and making assumptions about them. Changes in the input assumptions can materially affect the fair value estimate.

4. Critical accounting estimates and judgments - continued

g) Investment in Joint Venture

The investment in joint venture is accounted for using the equity method, whereby the investment is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of the net assets of the investment. The Company's share of the results of operations of the joint venture is reflection in the profit and loss. Management reviews the relevant factors and makes considerations in determining whether joint controls exists. Significant judgment is involved in the determination of joint control.

Impairment exists when the carrying value of the investment in joint venture exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

Lode Gold Resources Inc.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

5. Supplemental cash flow information

	2024	2023
Changes in non-cash working capital:		
Prepaid expenses	(37,929)	25,797
Sales tax receivable	(127,098)	5,456
Accounts payable and accrued liabilities	384,274	200,704
Accounts payable and accrued liabilities related to mineral property evaluation and exploration, and included in the investing activities section of the consolidated statement of cash flows	-	216,256
Share issuance costs included in accounts payable and accrued liabilities	-	(633)
	\$ 219,247	\$ 447,580

6. Marketable securities

The Company holds an investment in Jaeger Resources Inc. The investment is recorded at its quoted market value.

Continuity of investment in Jaeger Resources Inc.		
Balance at December 31, 2022 (3,600,000 shares)	\$	36,000
Decrease in fair value		(18,000)
Balance at December 31, 2023 (3,600,000 shares)	\$	18,000
Decrease in fair value		-
Balance at December 31, 2024 (3,600,000 shares)	\$	18,000

7. Mineral exploration and evaluation assets

Continuity of mineral exploration and evaluation assets	Golden Culvert	Bathurst	McIntyre Brook	Fremont	Dingman	Total
Balance at December 31, 2022	\$ 6,605,842	\$ 598,321	\$ 1,318,247	\$ 9,469,873	\$ 41,354	\$ 18,033,637
Acquisition, renewal and exploration costs	25,167	361	40,154	401,918	4,068	471,668
Shares issued for mineral exploration rights	-	-	136,822	-	-	136,822
Government assistance received	(50,000)	-	(18,000)	-	-	(68,000)
Option payments	195,100	-	180,000	-	-	375,100
Balance at December 31, 2023	\$ 6,776,109	\$ 598,682	\$ 1,657,223	\$ 9,871,791	\$ 45,422	\$ 18,949,227
Acquisition, renewal and exploration costs	222,423	-	25,006	159,137	-	406,566
Shares issued for mineral exploration rights	-	-	217,239	-	-	217,239
Government assistance received	-	-	(20,000)	-	-	(20,000)
Option payments	20,100	-	117,000	-	-	137,100
Transferred to joint venture	-	-	(1,996,468)	-	-	(1,996,468)
Balance at December 31, 2024	\$ 7,018,632	\$ 598,682	\$ -	\$ 10,030,928	\$ 45,422	\$ 17,693,664

7. Mineral exploration and evaluation assets - continued

The mineral exploration and evaluation assets of the Company consist of the following claim groups:

a) Golden Culvert, Yukon Territory

Lode Gold had acquired 100% ownership of the Golden Culvert and Little Hyland properties (collectively, Golden Culvert) comprising certain mineral claims in the Little Hyland Valley District of the Southeastern Yukon Territory.

As of December 31, 2023 Lode Gold had earned a 100% interest in the Golden Culvert and 100% interest in the Little Hyland claims and Rubus claims respectively. The final \$175,000 cash payment was made in April 2023 upon which the Company now holds 100% interest in all claim groups.

The Company has a rehabilitation provision of \$14,554 (2023 - \$14,282) for trenching performed on the property. This rehabilitation must be completed by the year 2026.

Exercise of the Win option requires \$35,000 of exploration expenditures before the first anniversary of the option agreement, which was completed in 2022. Maintenance and exercise of the option will require the following annual payments:

- 2022 - \$13,400 - payment made
- 2023 - \$20,100 - payment made
- 2024 - \$20,100 - payment made
- 2025 - \$26,800 - payment made subsequent to December 31, 2024
- 2026 - \$40,200

Upon completion of all payments and expenditures up to the third anniversary payment, the Company will have earned a 50% interest in the property, and upon completion of the fifth anniversary payment, the Company will have earned a 100% interest in the property.

The Win property is subject to a 2% NSR on production; however, the Company may re-purchase 1.5% (1.5% of the 2% NSR) for \$1,500,000 at increments of \$500,000 per 0.50% NSR.

The carrying value of the Golden Culvert property claim group at October 9, 2024 was \$7,018,632 that was transferred from Lode Gold to 1475039 B.C. Ltd. There was no activity on the Golden Culvert property from October 9, 2024 to December 31, 2024. On December 31, 2024, \$550,000 was prepaid for exploration on the property that was recorded as prepaid expenses on the statement of financial position.

b) Bathurst, New Brunswick

The Company holds a 100% interest in certain units and one mining lease in the Bathurst base metal mining camp in New Brunswick, Canada. The properties include the CNE/Captain and Taylor Brook (see Note 6) claim groups. All are subject to 1% NSR on production, with the exception of a portion of the CNE/Captain Group, which is royalty free.

7. Mineral exploration and evaluation assets - continued

During the year ended December 31, 2017, the Company granted Jaeger Resources Corp. an option to acquire an 80% interest in the Taylor Brook claim, which is a part of the Bathurst Group CGU, in exchange for 1,000,000 shares of Jaeger Resources Inc. Pursuant to the agreement and through amendments to the term of the option, the Company received an additional 2,600,000 shares of Jaeger Resources Inc., of which 1,600,000 were received in 2019. Jaeger Resources Inc. has until February 2024 to complete the required cumulative expenditures on the property. Upon acquisition by Jaeger Resources Inc. of its 80% interest in the property when all requirements are met, the Company could elect within 90 days to continue in a joint venture with Jaeger Resources Inc., buy back 40% ownership from Jaeger Resources Inc. for an amount equal to 150% of the exploration expenditures and renewal payments incurred by Jaeger Resources Inc., or transfer the remaining interest in exchange for a 3% net smelter return royalty.

The carrying value of the Bathurst properties at December 31, 2024 is \$598,682 (2023 - \$598,682).

c) McIntyre Brook, New Brunswick

As of December 31, 2024, the Company's interest in the McIntyre Brook property is owned through its 50% joint venture, Acadian Gold Corp.

In May 2022, Lode Gold completed acquisitions of certain claims located adjacent to and east of its existing McIntyre Brook claims.

Exercise of the McIntyre Brook options will require fulfillment of the following work requirements:

- 2021 - \$10,000 - completed in 2021
- 2022 - \$15,000 - completed in 2022
- 2023 - \$20,000 - completed in 2023
- 2024 - \$15,000 - completed in 2024

Maintenance and exercise of the McIntyre Brook options would require the following future annual payments:

- 2021:
 - i) \$75,000, with the option to pay up to \$30,000 with common shares of Lode Gold
 - ii) 10,000 common shares of Lode Gold
 - Lode Gold has made payments of \$67,500 in cash and issued 18,333 common shares of Lode Gold, recorded at their quoted market value of \$16,000. All annual payments for 2021 have been made.
- 2022:
 - i) \$115,000, with the option to pay up to \$42,500 with common shares of Lode Gold
 - ii) 5,000 common shares of Lode Gold
 - Lode Gold has made payments of \$72,500 in cash and issued 53,243 common shares of Lode Gold, recorded at their quoted market value of \$40,763. All annual payments for 2022 have been made.

7. Mineral exploration and evaluation assets - continued

- 2023:
 - i) \$309,000, with the option to pay up to \$134,500 with Lode Gold common shares
 - ii) 5,000 common shares of Lode Gold
 - Lode Gold has made payments of \$180,000 in cash and issued 311,909 common shares of Lode Gold, recorded at their quoted market value of \$136,821. All annual payments for 2023 have been made.

- 2024:
 - i) \$319,000, with the option to pay up to \$159,500 with Lode Gold common shares
 - As of December 31, 2024, Lode Gold has made payments totaling \$117,000 in cash and has issued 606,955 common shares of Lode Gold, recorded at their quoted market value of \$217,239.
 - During the year 2024, Lode Gold agreed with certain property optionors to allow Lode Gold to pay a greater portion of its property option payment with shares, as opposed to cash. Lode Gold reduced the cash portion of its payments during 2024 by \$144,500.

- 2025:
 - i) \$236,500, with the option to pay up to \$118,250 with common shares of the Company

- 2026:
 - i) \$275,500, with the option to pay up to \$137,750 with common shares of the Company

On October 9, 2024, Lode Gold has transferred the McIntyre Brook properties with carrying value of \$1,996,468 to the Spin Co and Spin Co has transferred it to Acadian, as part of the transaction with Fancamp. As part of the transaction with Fancamp, Lode Gold has amended the Option Agreements with Optionors that require future payment of common shares of Lode Gold, to be paid by shares of Spin Co.

Upon completion of the anniversary payments the Company's joint venture, Acadian, will have earned 100% ownership in the McIntyre Brook claim group. This claim group is subject to the following NSR on production:

- McIntyre Brook - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase the NSR for either \$1,000,000 or increments of \$500,000 per 0.50% NSR;
- McIntyre-Moose Brook - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000 or increments of \$500,000 per 0.50% NSR;
- Gold Brook - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000 or increments of \$500,000 per 0.50% NSR;

7. Mineral exploration and evaluation assets - continued

- Tardif Brook - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase the NSR for either \$2,000,000 or increments of \$1,000,000 per 1% NSR;
- Tardif Lake South - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Brook - With the exception of two claims (9743 and 10349) this claim group is subject to a 2% NSR on production; claims 9743 and 10349 are subject to a 1% NSR on production; however, the Company may re-purchase 1% of the NSR (being 100% of the 1% NSR on claims 9743 and 10349, plus one-half of the 2% NSR of the remaining claims) for \$1,000,000;
- Ramsay Brook Central - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Brook Cobalt - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Portage - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Ramsay Brook Cobalt East - This claim group is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;
- Greys Gulch - This claim is subject to a 2% NSR on production; however, the Company may re-purchase 1% (one-half of the 2% NSR) for \$1,000,000;

All the Options have a provision for performance payments upon completing the following milestones:

- a one-time cash payment of \$25,000 upon a Positive Preliminary Economic Assessment
- a one-time cash payment of \$50,000 upon a Positive Feasibility Study
- a one-time cash payment of \$100,000 upon Commercial Production

d) Fremont Property, California, USA

On August 16, 2021, the Company acquired 3,351 acres of land, and the corresponding mineral rights, in Mariposa County, California, known as the Fremont Property, as part of its acquisition of California Gold Mining Inc. The land package is a fee simple interest, subject to a 3% NSR. On acquisition, the land was valued at \$7,149,546 and the mineral exploration and evaluation assets were valued at \$7,867,658.

The carrying value of the Fremont Property at December 31, 2024 is \$10,030,928 (2023 - \$9,871,791).

e) Dingman Property, Ontario

On August 16, 2021 the Company also acquired certain mineral claims located in both Madoc and Marmora Townships known as the Dingman Property as part of its acquisition of California Gold Mining Inc. The claims are in good standing until 2025. The Dingman property is subject to a 2% NSR royalty, half of which may be purchased by Lode Gold at any time for \$250,000.

The carrying value of the Dingman Property at December 31, 2024 is \$45,422 (2023 - \$45,422).

8. Investment in joint venture

As part of the transactions in the Fancamp Investment Agreement (Note 1), on October 9, 2024, Lode Gold transferred its Golden Culvert Property in Yukon Territory and McIntyre Brook Property in New Brunswick (“the Properties”) to its subsidiary Spin Co. in exchange for 21,828,672 shares of the Spin Co. The transfer was accounted for at its carrying value.

Under the terms of the Fancamp Investment Agreement, the Company transferred its McIntyre Brook Property in New Brunswick to Acadian, and transferred \$1,759,810 of the investment proceeds received from Fancamp to Acadian, in exchange for 50% of the interest of Acadian. Acadian will be operated as a joint venture, where Fancamp has the other 50% interest and is the operator of the joint venture.

Under the terms of the Fancamp Investment Agreement, the Company issued 57,142 common shares to two of the original optionors of the McIntyre Brook Property for \$20,000 option payments due on October 24, 2024.

The Company has determined that it has joint control of the joint venture and has accounted for its investment in the joint venture using equity method. The \$1,996,468 carrying value of the McIntyre Brook Property as at October 9, 2024, and the \$20,000 options payments, in total of \$2,016,468, are accounted for as cost of investment in joint venture.

Under the terms of the Fancamp Investment Agreement, Fancamp transferred all of its interests in the Riley Brook mineral property located in New Brunswick (the “Riley Brook Property”) to Acadian.

Acadian reported total assets \$4,021,992 and total liabilities of \$178,672 as at December 31, 2024, and no income or loss from the period October 9, 2024 to December 31, 2024. The Company’s carrying value of the investment in joint venture remained \$2,016,468 as of December 31, 2024.

Under the Fancamp Investment Agreement, Fancamp will have 19.9% of Spin Co the date of Spin Out and if the Spin Co. fails to raise in part or whole of the aggregate of \$1,500,000 pursuant to a Private Placement before the date that is 30 days after the outside Closing Date (expected to be in May 2025), the Spin Co. shall transfer to Fancamp such number of JV Co shares determined as follows:

Amount Spin Co fails to raise	% JV Co Shares to transfer to Fancamp
\$1,500,000	15%
\$1,000,000	11.25%
\$500,000	7.5%

8. Investment in joint venture - continued

The Private Placement did not close as of the date and additional shares of JV Co have not yet been issued to Fancamp. The Company has assessed that its requirement to issue additional shares to Fancamp constitutes a derivative liability. The liability was measured at initial recognition at the estimated value of the additional shares of Spin Co to be issued to Fancamp to keep them at 19.9%. This amount is \$601,923 based on the estimated market price of the shares of Spin Co using the price from its private placement in 2024.

9. Loans payable

The Company received a loan from Romspen Investment Corporation. The loan is secured and in first position against the Company's Fremont Gold property in Mariposa County, California. The loan bears interest at 12% per annum. During the fiscal year 2023, the Romspen loan was renegotiated as follows:

- The maturity date was extended to July 31, 2025
- The interest rate was adjusted to 15% (compounded monthly using 360 days a year)
- Interest payments were converted to be paid in kind as an addition to the principal balance of the loan
- The lender was granted a conversion feature on the interest and principal of the loan at \$0.70/share, with an expiration on July 31, 2025

The amendment was accounted for as a substantial modification to the original loan. The USD \$2,435,635 (CAD \$3,209,436) debenture was separated into a convertible debt component and a derivative liability. The derivative liability was valued first and the residual of the proceeds was allocated to the debt. The derivative liability was calculated using the Black-Scholes option pricing model with the following inputs: term - 2 years; volatility - 110%; risk-free interest rate - 4.69%; exercise price - \$0.07; stock price at grant date - \$0.03. The derivative liability was initially assigned a value of \$547,309 and was adjusted to \$403,642 as at December 31, 2023 and \$329,112 as at December 31, 2024.

Accretion expense at an annual effective interest rate of 24.73% (compounded monthly) on the Romspen loan during 2024 totalled \$949,727 (2023 - \$62,729), and was recorded in finance costs and accretion expense.

The following table discloses the components associated with the Romspen loan:

	\$
Romspen loan liability component	
Loan balance on modification, July 31, 2023	3,209,436
Derivative liability	(547,309)
Finance costs and accretion	270,592
Foreign exchange adjustment	2,982
Balance at December 31, 2023	2,935,701
Finance costs and accretion	949,727
Foreign exchange adjustment	231,751
Balance at December 31, 2024	4,117,179

At December 31, 2024, the interest plus principal of the Romspen loan is \$4,433,528 (US\$3,081,192) (December 31, 2023 - \$3,500,801, US\$2,646,908).

9. Loans payable - continued

This loan is subject to certain covenants including:

- Applying for a bulk sample permit by January 31, 2024;
- Raising \$2,000,000 of equity financing by April 30, 2024; and
- Raising an additional \$3,000,000 of equity financing by February 28, 2025

The Company did not apply for the bulk sample permit by January 31, 2024. As a result of this covenant violation the lender could demand repayment of the loan.

10. Key management compensation and related-party transactions

Compensation awarded to key management included non-cash stock-based compensation of \$429,754 (2023 - \$195,480) along with consulting fees of \$435,000 (2023 - \$495,808). In addition, \$175,000 was recognized as a retirement allowance to a former officer of the Company in 2023. Key management includes the Company's officers, senior management and directors.

Included in accounts payable and accrued liabilities at December 31, 2024 is \$232,654 (2023 - \$344,933) owing to officers, former officers, and directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

On September 27, 2023, the Company received working capital loans from Coast Capital Midas Fund LP and R. W. Tomlinson Ltd. of \$250,000 each, for a total of \$500,000. The lenders are controlled by directors of the Company. These loans bear interest at 20% per annum, are convertible to common shares of the Company at the lowest price per common share that the Company offers in a subsequent financing (subject to exchange approval), and due on demand. Interest payable of \$18,745 (2023 - \$26,027) was recorded. During 2024, the Company repaid working capital loans of \$250,000 to each of R.W. Tomlinson Ltd. and Coast Capital Midas Fund LP, including interest accrued to the repayment date of \$22,386 to each.

In December 2023, loans payable, accrued expenses and interest owing to R.W. Tomlinson were settled by the issuance of 5,706,372 common shares of the Company, valued at \$1,426,593, which was the total amount owed to R.W. Tomlinson Ltd.

Directors and officers subscribed for 4,486,000 units in the Company's March 2024 private placements and 91,429 units in the Company's July 2024 private placements (Note 11).

On January 30, 2024, the Company granted 743,700 stock options with exercise price of \$0.50 to related party officers, directors.

On July 2, 2024, the Company granted 1,155,568 stock options with exercise price of \$0.50 to related party officers, directors.

11. Equity

a) Authorized

Unlimited number of common shares, without nominal or par value.

On October 28, 2024, the Company has completed a consolidation of its common shares. 10 pre-consolidation common shares were consolidated into 1 post-consolidation common shares. These consolidated financial statements have reflected the impacts of the consolidation.

b) Common shares

		Number of shares		Amount
Balance at December 31, 2022		21,458,248	\$	38,720,420
Shares issued - private placements	(i)	200,000		100,000
Shares issued - exploration and evaluation assets	(ii)	311,909		136,821
Shares issued in exchange for debt	(iii)	5,706,372		1,426,593
Share issue costs		-		(3,680)
Balance at December 31, 2023		27,676,529	\$	40,380,154
Shares issued - private placements	(iv)	11,693,931		2,483,348
Shares issued - exploration and evaluation assets	(v)	606,955		217,239
Share issue costs				(31,171)
Balance at December 31, 2024		39,977,415	\$	43,049,570

- i) During 2023 the Company closed the following non-brokered private placements:
- a. During March 2023, the Company closed a private placement consisting of 200,000 units. Each common share unit was comprised of one common share and one common share purchase warrant for \$0.5/unit, with gross proceeds raised of \$100,000. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.7 per share for a period of two years from the date of issue. There was no allocation made to the warrants as there was no residual balance.
- ii) During 2023, the Company issued shares in exchange for mineral and exploration rights as follows:
- a. In February 2023, the Company issued 95,204 common shares, valued at their market price of \$52,365, in connection with the McIntyre Brook property option.
 - b. In March 2023, the Company issued 123,951 common shares, valued at their market price of \$59,815, in connection with the McIntyre Brook property option.
 - c. In April 2023, the Company issued 20,304 common shares, valued at their market price of \$10,142, in connection with the McIntyre Brook property option.
 - d. In October 2023, the Company issued 5,000 common shares, valued at their market price of \$1,000, in connection with the McIntyre Brook property option.
 - e. In October 2023, the Company issued 67,446 common shares, valued at their market price of \$13,489, in connection with the McIntyre Brook property option.

11. Share capital - continued

- iii) In December 2023, the Company issued 5,706,372 common shares to R.W. Tomlinson Ltd., in exchange for settlement of \$1,426,593 of loans, payables, and interest, owed to R.W. Tomlinson Ltd.
- iv) During 2024, the Company closed the following non-brokered private placements:
 - a. In March 2024, the Company closed a private placement consisting of 5,691,610 common share units. Each common share unit was comprised of one common share and one common share purchase warrant for \$0.25/unit, with gross proceeds raised of \$1,422,903. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.5 per share for a period of two years from the date of issue. The common shares were valued at the market price for \$1,138,322 (\$0.2/share), and the residual of \$284,580 was allocated to the warrants and recorded in contributed surplus.
 - b. In March 2024, the Company closed a private placement consisting of 2,626,887 common share units. Each common share unit was comprised of one common share and one common share purchase warrant for \$0.25/unit, with gross proceeds raised of \$656,722. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.5 per share for a period of two years from the date of issue. There was no allocation made to the warrants as there was no residual balance.
 - c. The Company issued 39,200 brokers' warrants as finders' fees in connection with the above-noted private placements. Each warrant entitles the holder to purchase one common share of the Company at \$0.5 per share for a period of two years from the date of issue. The fair value of each warrant was estimated using the Black-Scholes option pricing model using the following assumptions: weighted average life of 2 years; risk-free rate of 4%; expected volatility of 140%; and, a dividend yield of 0%. The total value of the brokers' warrants was \$5,152 that was recorded with cash issuance cost of \$26,019 as share issue costs.
 - d. On July 12, 2024, the Company closed a private placement to issue 1,318,114 Units at a price of \$0.35 per Unit and 112,875 flow-through units ("FT Units") at a price of \$0.4 per FT Unit, for total cash consideration of \$506,490. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant") entitling the holder to purchase one additional common share of the Company for a period of 24 months, at a price of \$0.5 per share. Each FT Unit consists of one common share of the company ("FT share") and one half of common share purchase warrant (a "FT Warrant") that would be issued as "flow-through" share. Each whole FT Warrant will entitle the holder to purchase one additional common share for a period of 24 months at a price of \$0.6 per share. \$471,340 subscriptions were received before December 31, 2024 and \$35,150 were received after December 31, 2024. The common shares issued were value at market price for \$357,748 (\$0.25/share), and the residual proceeds were allocated \$143,288 to warrants recorded as contributed surplus, and \$5,454 initially as flow through shares premium liability that was recorded as other income on the renunciation of the flow through expenditures.

11. Share capital - continued

- e. On December 31, 2024, the Company closed a private placement to issue 1,944,445 Units at a price of \$0.18 per Unit, for total cash consideration of \$350,000. Each Unit consists of one common share of the Company and one common share purchase warrant (a "Warrant") entitling the holder to purchase on additional common share of the Company for a period of 36 months, at a price of \$0.35 per share. \$50,000 subscriptions were received before December 31, 2024 and \$300,000 were received after December 31, 2024. The common shares issued were value at market price for \$330,556 (\$0.17/share), and the residual proceeds of \$19,444 were allocated to warrants recorded as contributed surplus.

- v) During 2024, the Company issued shares in exchange for mineral and exploration rights as follows:
 - a. In February 2024, the Company issued 156,955 common shares, valued at their market price of \$39,239, in connection with the McIntyre Brook property option.
 - b. In March 2024, the Company issued 10,000 common shares, valued at their market price of \$2,000, in connection with the McIntyre Brook property option.
 - c. In April 2024, the Company issued 440,000 common shares, valued at the market price of \$176,000 in respect of its McIntyre Brook property option agreements.

- vi) Special warrants

As part of the transaction in the Fancamp Investment Agreement (Note 1), on October 9, 2024, the Company issued 1,428,571 Special Warrants for \$500,000. Each Special Warrant, upon completion of the Spin Out, will convert to one common share of Lode Gold and one 5-year Lode Gold share purchase warrant with an exercise price of \$0.5 per share. The Company valued the Special Warrants for \$500,000..

- vii) Shares issued in subsidiary and non-controlling interest
 - a. As part of the transaction in the Fancamp Investment Agreement (Note 1), on October 9, 2024, Spin Co. issued to Fancamp 5,423,078 common shares being 19.90% of Spin Co's shares for total proceeds of \$3,049,620, of which 4,362,058 common shares are flow through shares at \$2,076,320. Of the \$3,049,620 cash received, Spin Co allocated \$1,759,810 as a capital contribution of Fanacmp to the JV Co. In addition, a \$601,923 derivative liability, and a \$555,620 flow through shares premium liability were recognized as liabilities. \$967,647 of the proceeds were held in a trust account with a lawyer, of which \$550,000 was released on December 31, 2024.

11. Share capital - continued

Spin Co will issue additional shares to Fancamp to maintain Fancamp's 19.90% interest before going public by RTO.

On October 24, 2024 Spin Co issued 57,142 common shares to two of the original optionors of the McIntyre Brook Property for \$20,000 of option payments.

c) Warrants

The following table summarizes the warrant transactions:

	Number of warrants		Weighted average price
Balance at December 31, 2022	3,674,660	\$	0.963
Expired during the year	(564,660)		2.41
Issued during the year - private placements	200,000		0.70
Balance at December 31, 2023	3,310,000	\$	0.70
Expired during the year	(3,110,000)		0.70
Issued during the year - private placements	11,637,493		0.48
Issued during the year - brokers' warrants	39,200		0.50
Balance at December 31, 2024	11,876,693	\$	0.48

The following summarizes the warrants outstanding at December 31, 2024 (see note 12(b)):

Warrants outstanding	Exercise price	Expiry date
200,000	0.70	March 9, 2025
5,718,810	0.50	March 4, 2026
2,638,887	0.50	March 18, 2026
1,318,114	0.50	July 12, 2026
56,437	0.60	July 12, 2026
1,944,445	0.35	December 31, 2027
11,876,693	\$ 0.48	

In addition, 1,428,571 warrants will be issued on exercise of special warrants (Note 11(b)(vi)).

d) Stock options

The Company has a stock-based compensation plan for its key officers, directors, employees and consultants. Up to 10% of the issued and outstanding shares may be reserved for issuance under the plan.

The Company granted 2,040,894 options during 2023, all to directors of the Company. \$200,961 of value has been recognized in relation to these options in 2023. The number of options that vested in 2023 were 3,513,699 with 3,450,303 of those options vested to officers and directors of the Company.

11. Share capital - continued

On January 30, 2024, the Company granted 833,336 stock options with exercise price of \$0.50 to key officers, directors, employees and consultants. The fair value of each option, estimated using the Black-Scholes option pricing model for the issuance of options was \$0.21 using the following assumptions: weighted average life of 5 years; risk-free rate of 4.00%; expected volatility of 140%; and, a dividend yield of 0%. The options granted vest 50% in year 1 and 50% in year 2; however, as the forfeiture of options in a one-year period was deemed unlikely, a forfeiture rate of 0% was used. 743,700 options were granted to related parties (officers and directors).

On July 2, 2024, the Company granted 1,215,574 stock options to key officers, directors and employees, and 118,642 stock options to consultants, with exercise of \$0.50. The fair value of each option, estimated using the Black-Scholes option pricing model for the issuance of options was \$0.2938 using the following assumptions: weighted average life of 5 years; risk-free rate of 4.02%; expected volatility of 212%; and, a dividend yield of 0%. 50% of the stock options granted to key officers, directors and employees vested immediately and 50% will vest over 12 months. 50% of the stock options granted to the consultants will vest in 6 months and 50% will vest in 12 months from the grant date.

The Company recorded \$458,422 (2023 - \$200,961) stock based compensation expense for the year ended December 31, 2024.

The following table summarizes the stock option transactions:

	Number	Weighted average exercise price
Outstanding at December 31, 2022	1,667,500	\$ 1.30
Granted	204,089	0.50
Expired/forfeited	(95,000)	1.17
Outstanding at December 31, 2023	1,776,589	\$ 1.21
Granted	2,167,552	0.50
Expired/forfeited	(1,096,711)	0.82
Outstanding at December 31, 2024	2,847,430	\$ 0.65

The following table summarizes the options outstanding at December 31, 2024:

Options outstanding	Exercise price	Expiry date
30,000	1.00	January 16, 2025
30,000	1.00	May 19, 2025
80,000	2.50	September 28, 2025
30,000	2.20	November 3, 2025
255,000	1.30	August 18, 2026
260,000	0.55	October 17, 2027
174,089	0.50	September 9, 2028
654,125	0.50	January 30, 2029
1,334,216	0.50	July 2, 2029
2,847,430	\$ 0.65	

The total options vested at December 31, 2024 is 17,93,939 (2023 - 15,992,000).

12. Financial instruments and risk management

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them during 2024 and 2023 unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive monthly reports from the Company's financial controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board of Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of four types of risk:

- i) Foreign currency risk;
- ii) Interest rate risk;
- iii) Commodity price risk; and,
- iv) Equity price risk.

The Company is exposed to foreign currency risk in that some of its accounts payables and loans are denominated in a foreign currency. Management believes that the Company is not exposed to significant foreign currency risk. In addition, the Company is exposed to equity price risk as a result of its marketable securities (Note 6). The Company is not exposed to interest rate risk as the interest rate on its debt is fixed. Management monitors the equity price of the investment to manage its exposure to the equity price risk.

12. Financial instruments and risk management - continued

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk include cash, restricted cash and term deposits. Cash is maintained with financial institutions and may be redeemed upon demand. The financial institutions are considered reputable and creditworthy institutions.

The carrying amount of cash, restricted cash, marketable securities, term deposits, subscription receivable, sales tax receivable, and receivables represents the maximum credit exposure. The Company has gross credit exposure at December 31, 2024 and December 31, 2023 of \$1,266,616 and \$71,862, respectively. Management considers that all financial assets held are of good credit quality, and therefore credit risk is not considered significant.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will have sufficient cash to allow it to meet its liabilities when they become due.

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary.

Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

12. Financial instruments and risk management - continued

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing accounts payable and accrued liabilities and loans payable in conjunction with its daily cash position.

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

	Recognized in financial statements	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	More than 5 years
Accounts payable and accrued liabilities	Yes - liability	\$1,461,894	\$1,461,894	-	-	-
Loans payable	Yes - liability	\$4,433,528	\$4,433,528	-	-	-
Decommissioning liability	Yes - liability	\$14,554	-	\$14,554	-	-
Total		\$5,909,976	\$5,895,422	\$14,554	-	-

The following are the contractual maturities of financial liabilities at December 31, 2023:

	Recognized in financial statements	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	More than 5 years
Accounts payable and accrued liabilities	Yes - liability	\$1,083,350	\$1,083,350	-	-	-
Working capital loans	Yes - liability	\$500,000	\$500,000	-	-	-
Loans payable	Yes - liability	\$3,500,801	-	\$3,500,801	-	-
Decommissioning liability	Yes - liability	\$15,000	-	\$15,000	-	-
Total		\$5,099,151	\$1,583,350	\$3,515,801	-	-

12. Financial instruments and risk management - continued

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, restricted cash, term deposits, subscription receivable, loans payable and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Marketable securities are measured at fair value as the balance is derived from quoted prices in an active market.

Fair value hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of the Company's marketable securities is based on quoted prices and is therefore considered to be Level 1. There was no movement between levels during the current or previous fiscal years. The fair value of the Company's derivative liabilities is estimated by using the Black-Scholes option pricing model which is considered to be Level 2. The fair value of the working capital loans is estimated by reference to the Company's share price which is Level 1.

13. Capital management

The Company considers its capital to be comprised of share capital, contributed surplus, and accumulated other comprehensive income and deficit. The Company's objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investors' confidence required to sustain future development of the business.

The Company's properties are in the exploration stage and, accordingly, the Company is dependent upon external financings to fund activities.

In order to carry out planned drilling and engineering work, and pay for administrative costs, the Company will spend working capital and expects to raise the additional funds from time to time as required. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The

13. Capital management - continued

Company's capital management objectives, policies and processes have remained unchanged during 2024 and 2023.

The Company is not exposed to any externally imposed capital requirements, except when the Company issues flow-through shares for which an amount should be used for exploration work. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2024, the Company is not compliant with the policies of the TSXV. The impact of any such violation is not known and is ultimately dependent on the discretion of the TSXV.

14. Commitments and contingencies

Nature of operations

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Title

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory, environmental and social requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

Environmental

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

14. Commitments and contingencies - continued

Flow-through share indemnification

In connection with flow-through financings, the Company indemnifies the current and previous subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow-through expenditure commitments. The Company's most recent flow-through financing was in 2024. It has flow-through spending commitments of \$2,121,000 to meet by December 31, 2025.

Mineral exploration and evaluation assets

Certain of the company's mineral exploration and evaluation assets are subject to option agreement payments, other payments and commitments, and royalties. See note 7.

Litigation

The Company is exposed to several lawsuits, related to matters that existed when it acquired California Gold Mining Inc. These matters include:

- Claim from the former CEO of California Gold Mining Inc. alleging wrongful dismissal and unpaid amounts, totalling \$617,184. The Company believes that its maximum exposure to this claim is not significant. The Company has filed a counter-claim in respect of this lawsuit seeking compensation and punitive damages in the amount of \$736,000.
- Claim from the former landlord of California Gold Mining Inc. with respect to an unfulfilled lease contract. The Company believes that its maximum exposure to this claim is \$140,000, being the amount awarded in a summary judgment provided in favour of the landlord.
- The claims from former suppliers of California Gold Mining Inc. of \$1,214,000 USD were dismissed with prejudice during 2023, and the associated liability was reversed.

The Company's estimated liability from the above claims of \$260,000 has been accrued at December 31, 2024 (2023 - \$260,000) and included in the accounts payable and accrued liabilities on the statement of financial position.

On November 25, 2024 a former CEO of the Company made a claim of \$222,469 for amount owing to him, such has been accrued in the Company's accounts payable as of December 31, 2024.

15. Income taxes

The difference between the tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	December 31, 2024	December 31, 2023
Loss before income taxes	\$ (3,899,590)	\$ (819,691)
Recovery based on the statutory rate of 26.50% (2023 - 26.5%)	(1,033,391)	(217,218)
Net non-deductible expenses	240,923	59,610
Pool balance adjustments	(5,720,097)	(456,846)
Changes in unrecognized deferred tax assets	6,512,565	614,454
Total income tax provision	\$ -	\$ -

15. Income taxes - continued

No deferred tax asset has been recognized in respect of the following losses and temporary differences as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

	December 31, 2024	December 31, 2023
Mining property	\$ (2,872,521)	\$ 965,762
Non-capital losses	12,599,048	1,877,571
Property and equipment	246	(325)
Investments	(346,523)	4,770
Share issue costs	10,900	30,808
	\$ 9,391,150	\$ 2,878,586

As at December 31, 2024, the Company has estimated non-capital losses for tax purposes that may be carried forward to reduce taxable income derived in future years, expiring as follows:

Year of expiry	Non-capital losses (Canada - CDN)	Non-capital losses (United States - USD)
2026	\$ 16,657	-
2027	45,700	-
2028	120,770	-
2029	260,020	-
2030	449,596	-
2031	1,226,467	-
2032	478,666	-
2033	185,131	924,000
2034	1,114,970	614,000
2035	1,083,010	427,000
2036	1,331,824	796,000
2037	1,330,776	907,000
2038	2,089,516	1,519,000
2039	2,282,190	1,150,000
2040	3,766,628	833,000
2041	3,463,128	875,000
2042	8,436,359	894,000
2043	1,803,967	878,000
2043	2,787,225	61,000
Total	\$ 31,272,600	9,878,000

16. Subsequent events

On October 21, 2024, Spin Co entered into an arrangement agreement with Lode Gold and Great Republic Mining Inc. (“GRM”) for the spin out of Spin Co from Lode Gold and the acquisition by GRM of the outstanding shares of the Spin Co by way of a statutory plan of arrangement (the “Arrangement”) under Division 5 of Part 9 of the Business Corporations Act (British Columbia). On January 15, 2025, Spin Co, GRM and Lode Gold entered into an amended and restated arrangement agreement (the “A&R Arrangement Agreement”) to reflect certain changes to the Plan of Arrangement. The transaction is subject to court approval.

On April 14, 2025, the Company closed a private placement by issuing 4,389,922 units at \$0.18 per unit for proceeds of \$790,186. Each unit comprises of one common share of the Company, and one common share purchase warrant which entitles the holder to purchase one common share of the Company at an exercise price of \$0.35 for a period of 36 months.

Subsequent to December 31, 2024, Spin Co has issued 347,857 common shares as payments of \$121,750 to the Optionors of the McIntyre Brook property (note 7).