

**ST. JAMES GOLD CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

**FOR THE NINE MONTHS ENDED JUNE 30, 2025**

## **NOTICE OF NO AUDITOR REVIEW**

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

The accompanying unaudited condensed interim financial statements of St. James Gold Corp. have been prepared by and are the responsibility of management.

These condensed interim financial statements for the nine months ended June 30, 2025 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

**ST. JAMES GOLD CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

AS AT	June 30, 2025	September 30, 2024
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 43,615	\$ 46,162
Amounts receivable	24,342	9,827
Prepays	15,016	26,964
<b>Current assets</b>	<b>82,973</b>	<b>82,953</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 4)	65,125	10,000
<b>TOTAL ASSETS</b>	<b>\$ 148,098</b>	<b>\$ 92,953</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 7 and 8)	\$ 245,650	\$ 1,734,924
<b>Current liabilities</b>	<b>245,650</b>	<b>1,734,924</b>
<b>Non-current liabilities</b>		
Promissory notes (Notes 4, 6, and 8)	2,809,388	961,142
<b>Total Liabilities</b>	<b>3,055,038</b>	<b>2,696,066</b>
<b>Shareholders' deficiency</b>		
Share capital (Note 9)	39,146,964	39,146,964
Reserves (Note 9)	4,846,020	4,846,020
Subscriptions received in advance (Note 13)	212,459	137,381
Deficit	(47,112,383)	(46,733,478)
<b>Total Shareholders' Deficiency</b>	<b>(2,906,940)</b>	<b>(2,603,113)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>	<b>\$ 148,098</b>	<b>\$ 92,953</b>

**Nature and continuance of operations** (Note 1)  
**Commitments and contingencies** (Notes 5 and 11)  
**Subsequent events** (Note 13)

Approved and authorized by the Board on August 29, 2025

<i>"Tsun Yee Law"</i>	Director	<i>"Nicolas Lin Kuan Liang"</i>	Director
Tsun Yee Law		Nicolas Lin Kuan Liang	

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

**ST. JAMES GOLD CORP.****CONDENSED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Nine Months Ended June 30, 2025	Nine Months Ended June 30, 2024
<b>ADMINISTRATIVE EXPENSES</b>				
Administrative services	\$ 8,963	\$ 5,877	\$ 24,703	\$ 23,795
Audit and accounting	11,234	16,001	36,484	57,224
Consulting fees (Note 8)	30,539	30,476	91,837	92,191
Foreign exchange loss (gain)	(1,382)	1,908	1,850	8,068
Interest and penalty	37,728	8,298	53,131	13,783
Interest and accretion on promissory notes (Note 6)	66,840	45,669	151,595	132,446
Legal	76,387	19,839	146,344	58,698
Management fees (Note 8)	45,000	60,000	144,355	180,000
Marketing and promotion	-	-	2,063	2,292
Regulatory fees	15,391	6,467	36,380	26,718
Share-based compensation (Notes 8 and 9)	-	-	-	294,500
<b>Loss before other item</b>	<b>(290,700)</b>	<b>(194,535)</b>	<b>(688,742)</b>	<b>(889,715)</b>
Gain on settlement of debts (Note 10)	-	254,987	-	254,987
Write-off of accounts payable (Note 7)	309,837	-	309,837	-
<b>Income (loss) and comprehensive income (loss) for the period</b>	<b>\$ 19,137</b>	<b>\$ (60,452)</b>	<b>\$ (378,905)</b>	<b>\$ (634,728)</b>
<b>Basic earning (loss) per common share</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Diluted earning (loss) per common share</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding – pre dilution</b>	<b>33,914,706</b>	<b>33,401,171</b>	<b>33,914,706</b>	<b>32,706,101</b>

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

**ST. JAMES GOLD CORP.**  
CONDENSED INTERIM STATEMENTS OF CASH FLOWS  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Nine Months Ended June 30, 2025	Nine Months Ended June 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (378,905)	\$ (634,728)
Items not affecting operating cash		
Share-based compensation	-	294,500
Gain on settlement of debt	-	(254,987)
Interest and accretion on promissory notes	151,595	132,446
Write-off of accounts payable	(309,837)	-
Changes in non-cash working capital items:		
Amounts receivable	(14,515)	109,811
Prepays	11,948	8,442
Accounts payable and accrued liabilities	419,266	(163,023)
Net cash used in operating activities	(120,448)	(507,539)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation acquisition	(1,716)	(10,000)
Net cash used in investing activities	(1,716)	(10,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest payments	(14,829)	(44,322)
Proceeds of loan, net of repayments	59,368	(53,057)
Proceeds from private placements, net of share issuance costs	-	537,311
Subscriptions received in advance	75,078	137,781
Net cash provided by financing activities	119,617	577,713
<b>Change in cash for the period</b>	<b>(2,547)</b>	<b>60,174</b>
<b>Cash, beginning of period</b>	<b>46,162</b>	<b>33,483</b>
<b>Cash, end of period</b>	<b>\$ 43,615</b>	<b>\$ 93,657</b>
<b>Supplementary disclosure with respect to cash flows</b>		
Cash paid during the period for interest	\$ 44,307	\$ 24,387
Reclassification of accounts payables and accrued liabilities to promissory note	\$ 1,652,112	\$ -
Fair value of brokers' warrants	\$ -	\$ 4,900
Share issued for debt settlement	\$ -	\$ 57,692
Shares issued for interest in exploration and evaluation assets	\$ -	\$ 10,500

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

**ST. JAMES GOLD CORP.**

## CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' DEFICIENCY

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Share Capital		Subscriptions received in advance	Reserves*	Deficit	Total
	Number	Amount				
<b>Balance at September 30, 2023</b>	29,654,449	\$ 38,545,961	\$ -	\$ 4,554,320	\$ (45,516,634)	\$ (2,416,353)
Private placement	3,633,334	545,000	-	-	-	545,000
Share issuance costs – cash	-	(7,289)	-	-	-	(7,289)
Share issuance costs – brokers' warrants	-	(4,900)	-	4,900	-	-
Shares issued for settlement of debt	576,923	57,692	-	-	-	57,692
Shares issued for exploration and evaluation assets	50,000	10,500	-	-	-	10,500
Share-based compensation	-	-	-	294,500	-	294,500
Subscription received in advance	-	-	137,381	-	-	137,381
Income for the period	-	-	-	-	(634,728)	(634,728)
<b>Balance at June 30, 2024</b>	33,914,706	39,146,964	137,381	4,853,720	(46,151,362)	(2,013,297)
Share-based compensation	-	-	-	(7,700)	-	(7,700)
Loss for the period	-	-	-	-	(582,116)	(582,116)
<b>Balance at September 30, 2024</b>	33,914,706	39,146,964	137,381	4,846,020	(46,733,478)	(2,603,113)
Subscriptions received in advance	-	-	75,078	-	-	75,078
Loss for the period	-	-	-	-	(378,905)	(378,905)
<b>Balance at June 30, 2025</b>	33,914,706	\$ 39,146,964	\$ 212,459	\$ 4,846,020	\$ (47,112,383)	\$ (2,906,940)

\*Reserves consist of fair value of share options, warrants and brokers' warrants

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

## **ST. JAMES GOLD CORP.**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED JUNE 30, 2025

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

St. James Gold Corp. (the “Company”), is incorporated under the Business Corporations Act, (British Columbia). The Company is engaged in the acquisition, exploration and development of mineral resource properties located in Canada. On October 14, 2020, the Company changed its name from Bard Ventures Ltd. to St. James Gold Corp. and began trading on the TSX Venture Exchange under the new symbol TSXV: LORD.

The Company’s head office and principal address is Suite 704 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. The Company’s registered and records office is Suite 600 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

On February 5, 2025, the Company suspended trading in the Company’s securities as a result of a Cease Trade Order ("CTO") issued by the British Columbia Securities Commission for failure to file required annual financial statements and management’s discussion and analysis.

The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These condensed interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At June 30, 2025, the Company had not yet achieved profitable operations, had accumulated losses of \$47,112,383 (September 30, 2024 - \$46,733,478) since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may raise substantial doubt about the Company’s ability to continue as a going concern.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, tariffs and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

The condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

#### **2. BASIS OF PREPARATION**

##### **Statement of Compliance**

These condensed interim financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company’s annual audited financial statements for the period ended June 30, 2025, and do not include all the information required for full annual financial statements in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

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**2. BASIS OF PREPARATION (CONT'D)**

**Statement of Compliance (cont'd)**

These unaudited condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2024, as they do not include all the disclosures required by accounting principles generally accepted in Canada for complete financial statements.

**Basis of Presentation**

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian Dollars unless otherwise specified.

**Significant accounting judgments and estimates**

The preparation of condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts requiring estimates as the basis for determining the stated amounts include the discount rate used to fair value the promissory notes.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Contingencies

Contingencies by their nature, will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company is involved in certain legal claims as described in Note 11, and the likelihood or outcomes of these claims involves the exercise of significant judgment.

Impairment of Exploration and Evaluation Assets

Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each exploration and evaluation asset is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

**3. MATERIAL ACCOUNTING POLICIES**

**Exploration and evaluation assets**

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees.

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**Exploration and evaluation assets (cont'd)**

The Company capitalizes direct mineral property acquisition costs and those expenditures incurred following the determination that the property has economically recoverable reserves. Mineral property acquisition costs include cash consideration and the fair value of common shares issued for mineral property interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

**Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The Company may be subject to litigation claims from suppliers, former employees, parties to contracts and others. A provision is recognized when the Company determines the probability that the event will occur is greater than the probability that it will not. The Company regularly reviews any outstanding claims it may have to see if they meet the criteria. A provision is calculated based on management's best estimate of a probable outflow of economic resources.

**Provision for environmental rehabilitation**

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

As at June 30, 2025, the Company, given the early stage of exploration on its mineral properties, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

**Financial instruments**

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument except for trade receivables which are initially recognized when they are originated. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectation of recovering the contractual cash flows on a financial asset.

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

*Classification and measurement*

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories: (i) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); or (ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

The classification and measurement bases of the Company’s financial instruments are as follows:

Financial instruments classified at fair value through profit or loss (“FVTPL”) are measured at fair value.

Financial instruments classified at amortized cost are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

A summary of the classification and measurement of the Company’s financial instruments is set out below.

<b>Financial Assets and Liabilities</b>	<b>Classification and measurement</b>
Cash	Amortized cost
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory notes	Amortized cost

**Impairment of non-financial assets**

At each statement of financial position date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the fair value less costs of disposal and the value in use. If the recoverable amount is less than the carrying amount of the asset, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**Valuation of equity units issued in private placements**

The Company records proceeds from issuances of equity net of issue costs and any related tax effects. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first attributes value to the shares based on their quoted trading price at issuance, and the residual amount, if any, is attributed to the value of the warrants. Any fair value attributed to the warrants is recorded within the warrant reserve.

**Share-based payment**

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

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity settled share-based payments reserve account. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

The fair value is measured at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

All share options and warrants are included in reserves, a component of shareholders' equity, until exercised. Upon exercise, the consideration received plus the amounts in reserves attributable to the options and/or warrants being exercised are credited to share capital.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. If the options expire or are cancelled, the corresponding amount previously recorded remains in reserves.

**Loss per share**

The Company recognizes the dilutive effect on loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. As at June 30, 2025, 1,880,000 (September 30, 2024 – 2,905,000) options and 3,165,418 (September 30, 2024 – 5,107,901) warrants were not included in the calculation of dilutive earnings per share as their inclusion was anti-dilutive.

**Share-issuance costs**

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against share capital.

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**Income taxes**

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

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Adoption of New and Future Accounting Standards**

A number of new standards, and amendments to standards and interpretations, are not effective and have not been early adopted in preparing these financial statements. The following accounting standards and amendments are effective for future periods:

- i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

This amended standard is effective for reporting periods beginning on or after January 1, 2024. The Company does not expect material impact upon adoption of the amended standard.

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**3. MATERIAL ACCOUNTING POLICIES (CONT'D)**

**Adoption of New and Future Accounting Standards (cont'd)**

- ii) IFRS 18 - Presentation and Disclosure in Financial Statements - IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.
  - a) Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
  - b) Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
  - c) Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above standard on its financial statements.

The Company adopted the following accounting standards during the year ended September 30, 2024:

*Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies*

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The implementation of these amendments reduced disclosures in the notes to the financial statements.

*Amendments to IAS 8 – Definition of Accounting Estimates*

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. There was no significant impact to the financial statements as a result of the implementation of these amendments.

**ST. JAMES GOLD CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED JUNE 30, 2025

**4. EXPLORATION AND EVALUATION ASSETS**

The Company's mineral property interests are comprised of properties located in Canada.

<b>Mineral properties</b>	<b>Grub Line</b>	<b>Quinn Lake</b>	<b>Total</b>
Balance, September 30, 2023	\$ 131,250	\$ 213,750	\$ 345,000
Acquisition cost capitalized			
Cash	-	10,000	10,000
Shares	-	10,500	10,500
Impairment	(121,250)	(234,250)	(355,500)
Balance, September 30, 2024 and June 30, 2025	\$ 10,000	\$ -	\$ 10,000

During the period ended June 30, 2025, the Company's exploration expenditures as follows:

<b>Mineral properties</b>	<b>Grub Line</b>	<b>Quinn Lake</b>	<b>Total</b>
During the period ended June 30, 2025			
Geo-consulting	\$ 55,125	\$ -	\$ 55,125
	\$ 55,125	\$ -	\$ 55,125

During the year ended September 30, 2024, the Company's exploration expenditures as follows:

<b>Mineral properties</b>	<b>Grub Line</b>	<b>Quinn Lake</b>	<b>Total</b>
During the year ended September 30, 2024			
Geo-consulting	\$ -	\$ 3,000	\$ 3,000
	\$ -	\$ 3,000	\$ 3,000

**Grub Line Property**

On December 11, 2020, the Company entered into an option agreement to acquire a 100% interest in 29 claims covering 1,791 acres in the Gander Gold District in North Central Newfoundland Island (the "Grub Line Option Agreement"). Pursuant to the terms of the Grub Line Option Agreement, total aggregate consideration payable by the Company is an aggregate of \$50,000 cash over three years, exploration totaling not less than \$50,000 over three years, and the issuance of an aggregate of 200,000 common shares of the Company to the optionor as follows:

## Cash payments

- \$20,000 on the approval of the Option Agreement by the Exchange (paid);
- \$10,000 on the first anniversary of Exchange approval (paid);
- \$10,000 on the second anniversary of Exchange approval (requirement amended, see below); and
- \$10,000 on the third anniversary of Exchange approval (requirement amended, see below).

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**4. EXPLORATION AND EVALUATION ASSETS (CONT'D)**

**Grub Line Property (cont'd)**

Share issuances

- 50,000 common shares on the approval of the Option Agreement by the Exchange (issued and valued at \$34,000);
- 50,000 common shares on the first anniversary of Exchange approval (issued and valued at \$60,000);
- 50,000 common shares on the second anniversary of Exchange approval (requirement amended, see below); and
- 50,000 common shares on the third anniversary of Exchange approval (requirement amended, see below).

Exploration expenditures

- incur \$50,000 of exploration expenditures within a period of 36-months (requirement amended, see below).

On March 1, 2022, the Company amended the agreement to acquire 100% interest of the property as the optionor agreed to the remove all remaining obligations in consideration of cash payment of \$7,250 (paid) and payable amount of \$605 (paid) related to exploration expenditures.

The optionor retains a royalty of 2% net smelter returns (“NSR”) on production from the Grub Line Option Agreement. Additionally, the Company will be required to issue an additional 500,000 common shares to the Optionor if at any time before or after exercise of the option the Company obtains a 43-101 Report estimating an inferred mineral resource of not less than 100,000 ounces of gold. The requirement was waived as part of the March 1, 2022 amendment.

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

During the year ended September 30, 2024, the Company had no immediate plans to explore the property which is an indicator of impairment under IFRS 6, resulting in an assessment of the property’s recoverable amount. Due to uncertainty in recoverability, the Company has impaired the property, recognizing an impairment loss of \$121,250 during the year ended September 30, 2024.

**Quinn Lake**

On January 7, 2021, the Company entered into an option agreement to acquire a 100% interest in Quinn Lake Claims in consideration of \$65,000 cash, exploration expenditures \$100,000, and issuance of 300,000 common shares over three years. Exchange approval was received on January 29, 2021.

On March 1, 2022, the Company agreed to buyout one of the optionors and removed their portion of obligations in consideration of cash payment of \$2,250 (paid) and payable amount of \$3,204 (paid) related to exploration expenditures. The obligations been amended as such:

Cash payments

- \$20,000 on the approval of the option agreement by the TSX Venture Exchange (paid);
- \$10,000 on the first anniversary of exchange approval (paid);
- \$10,000 on the second anniversary of exchange approval (paid); and
- \$10,000 on the third anniversary of exchange approval (paid).

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**4. EXPLORATION AND EVALUATION ASSETS (CONT'D)**

**Quinn Lake (cont'd)**

Share issuances

- 75,000 common shares on the approval of the option agreement by the TSX Venture Exchange (issued and valued at \$138,750);
- 50,000 common shares on the first anniversary of exchange approval (issued and valued at \$25,500);
- 50,000 common shares on the second anniversary of exchange approval (issued and valued at \$7,250); and
- 50,000 common shares on the third anniversary of exchange approval (issued and valued at \$10,500).

The vendors retain a royalty of 2% net smelter returns on production from the Quinn Lake claims with one half of the total royalty purchasable for \$666,667 pre-production. Additionally, the Company will be required to issue an additional 333,333 common shares to the Optionor if at any time before or after exercise of the option the Company obtains a 43-101 Report estimating an inferred mineral resource of not less than 750,000 ounces of gold.

During the year ended September 30, 2024, the Company had no immediate plans to explore the property which is an indicator of impairment under IFRS 6, resulting in an assessment of the property's recoverable amount. Due to uncertainty in recoverability, the Company has impaired the property, recognizing an impairment loss of \$234,250 during the year ended September 30, 2024.

Subsequent to June 30, 2025, the Company's interest in Quinn Lake was transferred to Florin as part of the Final Release Settlement Agreement (Note 13).

**Florin Gold**

On March 12, 2021, the Company signed a letter of intent to acquire Florin Gold Property, and paid a \$200,000 non-refundable deposit toward the transaction.

On April 6, 2021, the Company entered into an option agreement with Florin Resources Inc. ("Florin") to acquire 85% of the Florin Gold Property in Yukon Territory, Canada.

On July 5, 2021, (the "Effective Date") the Company received final acceptance from the TSX Venture Exchange.

The agreement is a 3 phase exploration agreement. Completion of all the phases under the agreement is subject to a staged cash payment of \$8,400,000, issuance of 6,200,000 common shares, exploration expenditures of \$20,000,000 over a 4-year period, and funding and completing a bankable feasibility study on the property. Additionally, Florin would have the right to appoint a director on the Board of the Company. The agreement was amended in April 2021 and June 2021 to revise the amount and timing on certain option payments.

Florin agreed to be the operator of the property and will be paid 10% of the exploration expenditures as operating fee, of which the Company recorded an amount of \$211,904 during the year ended September 30, 2022.

*Phase I – First Option*

The First Option of the agreement grants the Company an option to acquire an initial undivided 51% interest in the property by making the following option payments:

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**4. EXPLORATION AND EVALUATION ASSETS (CONT'D)**

**Florin Gold (cont'd)**

<b>Date</b>	<b>Amount</b>	<b>Number of Common Shares</b>
Within 5 days of the Effective Date	\$2,100,000 (the "First Cash Payment") (Paid)	1,050,000 (the "First Share Issuance") (Issued)
On the one-year anniversary of the Effective Date	\$2,100,000** (the "Second Cash Payment")	850,000*** (the "Second Share Issuance")
Within 5 days from the Top-Up Condition:	-	200,000* (the "Top-Up Share Issuance")
On the two-year anniversary of the Effective Date	\$2,100,000 (the "Third Cash Payment")	1,050,000*** (the "Third Share Issuance")
On the three-year anniversary of the Effective Date	\$2,100,000 (the "Fourth Cash Payment")	1,050,000*** (the "Fourth Share Issuance")

\* Top-Up Condition – in the event that Florin holds less than 10% of the issued and outstanding common shares of the Company, and delivers a written notice regarding its top-up option, the Company would be required to issue Top-Up Shares to Florin.

\*\* The Company entered into an amendment agreement where the Company can pay the Second Cash Payment in common shares ("Second Cash Payment Shares") priced at an 15% discount to the closing price of the common shares on the TSXV immediately preceding the day on which the announcement is made. If, on or before the one year anniversary of the Effective Date, the Company closes one or more debt or equity financings for gross proceeds equal to or greater than \$8,610,000 ("Qualified Financing"), then Florin's agreement to accept common shares in lieu of the cash amount of the Second Cash Payment automatically becomes null and void.

Upon 60 days written notice from Florin, Florin has the option to request that the Second Share Issuance, Third Share Issuance or Fourth Share Issuance can be satisfied by receiving a \$3,150,000 cash payment from the Company in lieu of the shares.

Pursuant to the terms of the option agreement, the First Cash Payment, First Share Issuance, Second Cash Payment, Second Share Issuance and Top-Up Share Issuance (\$4,200,000 in cash and 2,100,000 common shares) are firm commitments and are not optional payments once the Effective Date has occurred, of which the "Second Cash Payment" of \$2,100,000, and the "Second Share Payment" for which Florin has exercised its right to receive \$3,150,000 cash in lieu of shares, have been recorded as other liabilities.

The Company is required to complete 5,000 meters of drilling, which is a firm commitment. As of September 30, 2022, the Company has completed 4,464 meters of drilling.

Pursuant to the terms of the option agreement, the Company shall pay to Florin advance royalty payments of \$100,000 per year, commencing on the effective date and ending on the earlier of the commencement of commercial production or termination of the option agreement. As of September 30, 2022, the first advance royalty payment has been paid, and the second advanced royalty payment in the amount of \$100,000 has been recorded as an accrual in other liabilities. As of September 30, 2023, the Company paid the second advanced royalty payment from the funds released in an escrow account as agreed to in the Settlement Agreement (as defined below).

Concurrent with the execution of this agreement, the Company and Florin have entered into the Escrow Agreement where the Company will deposit the following into an escrow account: an irrevocable treasury direction representing \$2,100,000 common shares associated with the Second Cash Payment Shares, \$100,000 payable on the first anniversary of the Effective Date (the "Second Advance Royalty Payment"), and 850,000 common shares associated with the Second Share Issuance. As of September 30, 2022, the Company held \$100,000 in escrow and is classified as a deposit, an irrevocable treasury direction, and 850,000 common shares issued and in escrow. A discount of \$941,943 was applied to the value of shares placed in escrow as part of the Second Share Issuance. The discount applied to the Second Share Issuance was determined based on the escrow hold period, using a Put Option model with a stock price of \$3.49, expected period of 12 months, and a volatility of 230%.

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**4. EXPLORATION AND EVALUATION ASSETS (CONT'D)**

**Florin Gold (cont'd)**

The Escrow Agreement shall provide for the Company to deposit in escrow an executed irrevocable treasury direction to issue to Florin the number of common shares of the Company issuable in satisfaction of the Second Cash Payment, subject to receipt of approval of the TSX-V to issue such shares. If the Company completes a Qualified Financing then the Company will immediately be required to deposit \$2,100,000 to be held under the terms of the Escrow Agreement to satisfy the Second Cash Payment, and the treasury direction shall be returned to the Company for cancellation.

On May 3, 2022 Florin exercised its right to receive \$3,150,000 in cash to satisfy the Second Share Issuance. As the liability is to be settled in cash and not in shares the value previously allocated in the amount of \$2,024,557 has been reclassified from share capital to other liabilities and increased to \$3,150,000 to represent the cash amount owed. The 850,000 shares remain issued and in escrow until returned to treasury.

If the Top-Up Condition is satisfied prior to the one-year anniversary of the Effective Date, the Company shall deposit the common shares representing the Top-Up Share Issuance into escrow, which did not occur prior to the one year anniversary.

Other than the First Cash Payment, the Second Cash Payment, the First Share Issuance and the Second Share Issuance, the cash payments and the share issuances required to exercise the First Option shall be at the Company sole discretion. If the Company decides not to make the optional Cash Payments and Share Issuances and to make the First Option Expenditures, this Agreement shall be terminated and Florin shall retain its interest in the Property. Upon the termination of this agreement, the Company shall have no further obligation to Florin for the committed cash payments and share issuances as described in the foregoing.

Upon completing First Option, the Company will have 90 days to decide whether it wants to earn the Second Option. The Second Option grants the Company an option to acquire an additional undivided 34% interest in the Florin Gold Property by issuing an additional 2,000,000 common shares of the Company and producing a Bankable Feasibility Study within 3 years of the exercise of the original 51% option.

As part of the Escrow Agreement, the Company is obligated to pay 629281 B.C. Ltd. (“629281”) a payment of \$250,000 in cash or shares at Florin’s option at any time it’s assessed that at least 2,000,000 ounces of gold exists on the property (“Ounces Bonus”).

During the year ended September 30, 2022, the Ounces Bonus was amended where the Company would satisfy the Ounces Bonus by making the following cash payment: \$125,000 within 10 days of the signing of the amended agreement (paid) and \$125,000 (unpaid and written off due to lapse of statute of limitations) within 10 days of the Company raising aggregate gross proceeds of \$1,000,000.

On September 21, 2022, the Company was unable to successfully negotiate an assignment or change in the terms of the option agreement within the extension period with Florin, as a result, Florin terminated the option and the Company wrote-off exploration and evaluation assets of \$11,549,000.

On February 24, 2023, the Company entered into a settlement agreement (“Settlement Agreement”) with Florin in connection with the Company’s failure to perform its obligations.

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**4. EXPLORATION AND EVALUATION ASSETS (CONT'D)**

**Florin Gold (cont'd)**

Pursuant to the Settlement Agreement, all outstanding debts and commitments to Florin were extinguished by meeting the terms as follows:

- i) granted a secured promissory note in favor of Florin in the principal amount of \$500,000 (valued at \$330,838), bearing interest at a rate of 5% per annum and maturing three years after the date of grant (the “Cash Payment Promissory Note”) (Note 7).
- ii) issued 1,800,000 (valued at \$270,000) common shares of the Company to Florin (Note 10).
- iii) paid \$100,000 in cash to Florin.
- iv) granted a secured promissory note in favor of Florin in the principal amount of \$36,894, bearing interest at a rate of 5% per annum and maturing 120 days after the date of grant, (the “Disclosure Expense Promissory Note”) (Note 7). The note was repaid in full during year ended September 30, 2023.
- v) granted a secured promissory note in favor of Florin in the principal amount of \$676,599 (valued at \$447,690), bearing interest at a rate of 5% per annum and maturing three years after the date of grant (the “Operator Expense Promissory Note”) (Note 7).

In connection with the Settlement Agreement, the Company paid \$33,600 in legal fees to Florin.

For each aggregate net proceeds of \$1,000,000 raised by the Company through financings completed during the term of the Cash Payment Promissory Note and Operator Expense Promissory Note, the Company will repay \$100,000 of the outstanding principal amount owing on each of the Cash Payment Promissory Note and Operator Expense Promissory Note. The Company will repay the Disclosure Expense Promissory Note in full out of the proceeds raised by the Company in its next financing.

During the year ended September 30, 2023, the Company recorded the gain on debt settlement as follows:

Accounts payable and accrued liabilities settled	\$	720,765
Other liabilities settled		5,350,000
<b><i>Total liabilities and commitments settled</i></b>		<b>6,070,765</b>
Cash		(100,000)
1,800,000 common shares		(270,000)
Cash payment promissory note		(330,838)
Disclosure expense promissory note		(36,894)
Operator expense promissory note		(447,690)
Legal fees		(33,600)
<b><i>Terms of settlement</i></b>		<b>(1,219,022)</b>
<b>Gain on settlement of debt</b>	<b>\$</b>	<b>4,851,743</b>

Subsequent to June 30, 2025 the Company entered into a final release settlement agreement whereby the Company agreed to terms in considerations of release from all outstanding claims listed in the Settlement Agreement above (Note 13).

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**5. RECLAMATION BOND**

The Company's reclamation bond is a cashable term deposit.

During the year ended September 30, 2024, the Company wrote off its reclamation bond of \$14,000, a cashable term deposit, due to uncertainty of collectability.

**6. PROMISSORY NOTES**

During the period ended June 30, 2025, the Company:

- i) entered into debt settlement agreements with certain individuals and an officer of the Company whereby the outstanding balances of \$1,272,113 were converted to non-interest bearing unsecured promissory notes that matures on December 31, 2026 (Note 8).
- ii) entered into a debt settlement agreement with an arm's length vendor whereby the outstanding amount of \$380,000 was to an unsecured promissory note, bearing an interest rate of 10% per annum, compounded annually, and maturing on December 31, 2026.

During the year ended September 30, 2023, the Company:

- i) granted a secured promissory note in favor of Florin in the principal amount of \$500,000, bearing interest at a rate of 5% per annum, payable monthly, and maturing on February 20, 2026. The fair value of the note at the time of issue was calculated by discounting the principal amount using an effective interest rate of 20% and an expected term of 36 months. The Company accretes the carrying value of the promissory note by recognizing an accretion expense in profit or loss and a credit to promissory note. The fair value of the promissory note was determined to be \$330,838. During the year ended September 30, 2024, the Company recorded \$24,876 of interest expense and \$51,493 of accretion expense from the debt discount. During the period ended June 30, 2025, the Company recorded \$18,699 of interest expense and \$33,325 of accretion expense from the debt discount.
- ii) granted a secured promissory note in favor of Florin in the principal amount of \$676,599, bearing interest at a rate of 5% per annum and maturing on February 20, 2026. The fair value of the note at the time of issue was calculated by discounting the principal amount using an effective interest rate of 20% and an expected term of 36 months. The Company accretes the carrying value of the promissory note by recognizing an accretion expense in profit or loss and a credit to promissory note. The fair value of the promissory note was determined to be \$447,690. During the year ended September 30, 2024, the Company recorded \$33,663 of interest expense and \$69,681 of accretion expense from the debt discount. During the period ended June 30, 2025, the Company recorded \$25,303 of interest expense and \$45,094 of accretion expense from the debt discount.
- iii) granted a promissory note in favor of an arm-length vendor in the principal amount of \$91,546, bearing interest at a rate of 1.5% monthly. The Company will pay the principal sum with interest by making payment in 12 equal consecutive monthly installments commencing on May 15, 2023. During the year ended September 30, 2024, the Company recorded \$343 of interest expense. The Company repaid principal in full during the year ended September 30, 2024.

These promissory notes related to the Florin Settlement Agreement are secured by a general security agreement over all of the Company's assets.

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**6. PROMISSORY NOTES (CONT'D)**

Continuity of the promissory notes is as follows:

Balance at September 30, 2023	\$ 893,293
Interest and accretion	180,056
Interest paid	(58,882)
Loan repayment	<u>(53,325)</u>
Balance at September 30, 2024	961,142
Addition	1,986,480
Interest and accretion	151,595
Interest paid	(14,829)
Repayment	<u>(275,000)</u>
Balance at June 30, 2025	<u>\$ 2,809,388</u>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Company's accounts payable and accrued liabilities are as follows:

	June 30, 2025	September 30, 2024
Trade payables	\$ 144,700	\$ 1,193,548
Accrued liabilities	100,950	541,376
Total	<u>\$ 245,650</u>	<u>\$ 1,734,924</u>

During the period ended June 30, 2025, the Company:

- i) wrote off outstanding payable of \$309,837 due to lapse of statute of limitations.
- ii) settled outstanding payable of \$1,652,112 pursuant to the debt settlement agreements entered into by the Company (Note 6).

**8. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

The remuneration of directors and key management personnel during the period ended June 30, 2025 and 2024 are as follows:

	June 30, 2025	June 30, 2024
Consulting fees	\$ -	\$ 90,000
Management fees	144,355	180,000
Share-based compensation	-	163,722
	<u>\$ 144,355</u>	<u>\$ 433,722</u>

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#### **8. RELATED PARTY TRANSACTIONS (CONT'D)**

For the period ended June 30, 2025, the Company had the following transactions with key management, being related parties:

- i) paid or accrued \$39,355 (2024 - \$90,000) for management services provided by the former President and CEO of the Company.
- ii) paid or accrued \$5,000 (2024 - \$90,000) for management services provided by the former CFO of the Company.
- iii) paid or accrued \$85,000 (2024 - \$Nil) for management services and \$Nil (2024 - \$90,000) for consulting services provided by the CEO of the Company.
- iv) paid or accrued \$15,000 (2024 - \$Nil) for management services provided by the CFO of the Company.
- v) granted Nil (2024 – 820,000) share options to its directors and officers and recorded \$Nil (2024 - \$163,722) for share-based compensation.

Included in accounts payable and accrued liabilities at June 30, 2025 is \$1,202,293 (September 30, 2024 - \$942,500) owed to officers, former officers and directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

During the period ended June 30, 2025, the Company entered into debt settlement agreements with the CEO and former officers of the Company whereby the outstanding balances of \$1,161,855 were converted to non-interest bearing unsecured promissory notes that matures on December 31, 2026.

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

#### **9. SHARE CAPITAL AND RESERVES**

- a) Authorized share capital

As at June 30, 2025, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

- b) Issued share capital

During the year ended September 30, 2024, the Company:

- i) closed non-brokered private placement and issued 3,633,334 units at a price of \$0.15 per unit for gross proceeds of \$545,000. Each unit comprises of one common share and one half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at \$0.20 per share for a period of two years from the date of issue.

The Company paid finders fees of \$6,850, other cash fees of \$439, and 45,000 brokers' warrants (valued at \$4,900) with each warrant entitling the finder to purchase one additional common share at \$0.20 per share for a period of one year from the date of issue.

- ii) issued 50,000 common shares at fair value of \$10,500 in connection with the acquisition of Quinn Lake property interest (Note 5).
- iii) issued 576,923 common shares at fair value of \$57,692 pursuant to the settlement agreement with a former drilling contractor (Note 11).

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**9. SHARE CAPITAL AND RESERVES (CONT'D)**

## c) Share options

The Company's share option plan (the "Plan") provides that the board of directors may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to Directors, Officers, employees and technical consultants of the Company, non-transferable options to purchase the Company's shares. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the Exchange on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies and expire no later than 10 years from the grant date. The aggregate number of common shares reserved for issuance under the stock option plan is 10% of the number of issued and outstanding common shares.

As at June 30, 2025 and September 30, 2024, the Company had outstanding and exercisable stock options, enabling the holders to acquire further common shares as follows:

June 30, 2025	September 30, 2024	Exercise Price	Expiry Date
708,000	1,180,000	\$0.10	March 20, 2027
250,000	250,000	\$0.115	March 20, 2027
925,000	1,475,000	\$0.18	December 18, 2027
1,880,000	2,905,000		

During the year ended September 30, 2024, the Company granted stock options as follows:

- On December 18, 2023, the Company granted a total of 1,475,000 options to directors, officers and consultants. The options are exercisable at a price of \$0.18 for a period of four years. The Company has recorded the fair value of the options granted using the Black-Scholes option pricing model. Share-based payment costs were calculated using the following assumptions: expected life of options - four years, stock price volatility - 171.70%, no dividend yield, and a risk-free interest rate yield - 3.36%. Using these assumptions, the fair value of the options granted was \$0.20 per option for total compensation of \$286,800.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during:

	June 30, 2025	September 30, 2024
Risk-free interest rate	-	4.47%
Expected life of options	-	1 years
Expected annualized volatility	-	150.85%
Expected dividend rate	-	-

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**9. SHARE CAPITAL AND RESERVES (CONT'D)**

## c) Share options (cont'd)

Share option transactions are summarized as follows:

	Nine months ended June 30, 2025		Year ended September 30, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	2,905,000	\$ 0.14	1,845,000	\$ 0.31
Granted	-	-	1,475,000	0.18
Expired	(375,000)	0.15	(415,000)	1.04
Cancelled	(650,000)	0.15	-	-
Balance, end of period	1,880,000	\$ 0.14	2,905,000	\$ 0.14

As at June 30, 2025 the weighted average remaining life of options was 2.09 years (September 30, 2024 – 0.87 years).

The volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

## d) Warrants

As at June 30, 2025 and September 30, 2024, the Company had outstanding warrants, enabling the holders to acquire further common shares as follows:

June 30, 2025	September 30, 2024	Exercise Price	Expiry Date
-	45,000	\$0.20	November 17, 2024
-	1,841,711	\$0.45	June 8, 2025
-	55,772	\$0.45	June 8, 2025
1,169,674	1,169,674	\$0.71	July 22, 2025*
81,877	81,877	\$0.71	July 22, 2025*
10,000	10,000	\$0.71	August 10, 2025*
4,200	4,200	\$0.71	August 10, 2025*
83,000	83,000	\$0.63	August 10, 2025*
1,816,667	1,816,667	\$0.20	November 17, 2025
3,165,418	5,107,901		

\*expired subsequently

**ST. JAMES GOLD CORP.**

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

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**9. SHARE CAPITAL AND RESERVES (CONT'D)**

## d) Warrants (cont'd)

During the year ended September 30, 2024, the Company granted brokers' warrants as follows:

On November 17, 2023, the Company granted a total of 45,000 brokers' warrants in relation to a private placement. The brokers' warrants are exercisable at a price of \$0.20 for a period of one year. The Company has recorded the fair value of the brokers' warrants granted using the Black-Scholes option pricing model. The issuance costs were calculated using the following assumptions: expected life of options - one years, stock price volatility – 150.85%, no dividend yield, and a risk-free interest rate yield – 4.47%. Using these assumptions, the fair value of the brokers' warrants granted was \$0.11 per broker's warrant for total costs of \$4,900.

The following weighted average assumptions were used for the Black-Scholes valuation of broker's warrants granted during:

	June 30, 2025	September 30, 2024
Risk-free interest rate	-	4.47%
Expected life of warrants	-	1 year
Expected annualized volatility	-	150.85%
Expected dividend rate	-	-

Warrant transactions are summarized as follows:

	Nine months ended June 30, 2025		Year ended September 30, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	5,107,901	\$ 0.43	7,562,730	\$ 1.89
Issued	-	-	1,861,667	0.20
Expired	(1,942,483)	0.20	(4,316,496)	2.89
Balance, end of period	3,165,418	\$ 0.43	5,107,901	\$ 0.43

During the period ended June 30, 2025, the weighted average remaining life of warrants was 0.25 years (September 30, 2024 – 0.87 years).

The volatility used in the Black-Scholes option pricing model is based on the historical volatility of the Company's shares.

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**10. COMMITMENTS AND CONTINGENCIES**

Provisions

The Company is engaged in litigation or considering responses to demand letters that have been filed against or communicated to the legal counsel of the Company. The proceedings resulting from the litigation or claims are in different stages of progress and the eventual outcome of these lawsuits, at this point in time, is uncertain. Full provision for expenses has been made wherever considered necessary, if it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. As at June 30, 2025, the Company has accrued for provisions relating to claims in the amount of \$Nil within accounts payable.

On May 25, 2023, the Company was served with a petition filed in the Supreme Court of Yukon by a drilling contractor (the “Contractor”) on the Company’s former Yukon project in the amount of \$567,679 (the “Claim”). Although the Claim was filed in October 2022, it was not served on the Company until May 25, 2023.

On June 14, 2024, the Company entered into a settlement and mutual release (the “Settlement and Mutual Release”) with the Contractor in connection with the Claim. Pursuant to the Settlement and Mutual Release, the Company paid \$255,000 in cash and issued 576,923 common shares of the Company (valued at \$57,692) to the Contractor. During the year ended September 30, 2024, the Company recorded the gain on debt settlement of \$254,987 as follows:

Claim amount	\$	<b>567,679</b>
Cash		(255,000)
576,923 common shares		(57,692)
<b>Gain on settlement of debt</b>	<b>\$</b>	<b>254,987</b>

**11. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

**12. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The Company enters into financial instruments to finance its operations in the normal course of business.

The Company does not hold any financial instruments at fair value subject to level 1, 2 or 3 fair value measurements. There were no changes in level 1, 2 or 3 financial instruments during the period ended June 30, 2025 and the year ended September 30, 2024. With the exception of promissory notes, the fair value of the Company’s financial assets and financial liabilities approximate the carrying value due to the short-term maturities of the instruments. The fair value of the Company’s promissory notes approximate carrying value due to their initial recording at fair value and their subsequent accretion at amortized cost.

## ST. JAMES GOLD CORP.

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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## 12. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)

The Company is exposed to varying degrees to a variety of financial instrument related risks:

### *Foreign exchange risk*

The Company's functional currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. Management believes the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

### *Credit risk*

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with a financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

### *Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

### *Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

### *Price risk*

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

### *Capital management*

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the period. The Company does not have

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**13. SUBSEQUENT EVENTS**

Subsequent to June 30, 2025, the Company:

- i) entered into a Final Release Settlement Agreement ( “Final Release Settlement Agreement”) with Florin to settle \$1,176,599 of secured promissory notes issued to Florin under a prior settlement agreement settling certain claims by Florin relating to the Company’s determination not to proceed with an agreement to acquire a Yukon property owned by Florin.

The considerations for the Final Release Settlement Agreement as follows:

- a) cash payment of \$435,000 (subsequently paid by third parties who were assigned the unpaid liability balance that was due to Florin)
- b) issuance of 2,105,264 common shares for debt at a deemed price of \$0.095 per share that closed concurrently with the Settlement Agreement (subsequently issued);
- c) release of the 850,000 common shares of the Company that were held in escrow (subsequently released); and
- d) transfer of the Quinn Lake Property (subsequently released).

As part of the Final Release Settlement Agreement, Florin agreed to participate as to 1,052,632 common shares in the Company’s private placement announced on December 27, 2024 at \$0.095 per share, which closed concurrently with the closing of the Settlement Agreement.

- ii) closed non-brokered private placement and issued 1,842,932 units at a price of \$0.095 per unit for gross proceeds of \$175,079.