



**FINANCIAL STATEMENTS OF
PROBE GOLD INC.
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)**

Independent Auditor's Report

To the Shareholders of Probe Gold Inc.:

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Accounting for the Acquisition of the McKenzie Break and Beaufor Properties

Key Audit Matter Description

As described in Note 19 of the financial statements, the Company entered into an asset purchase agreement to acquire a 100% interest of the McKenzie Break and Beaufor Properties during the year ended December 31, 2024. We considered the accounting for the acquisition of the McKenzie Break and Beaufor Properties to be a key audit matter due to the significant judgment applied by management in concluding that this transaction did not represent a business under IFRS 3 Business Combinations and the use of significant estimates by management in estimating the fair value the assets and liabilities acquired as part of the transaction. This resulted in an increased extent of audit effort.

Audit Response

We responded to this matter by performing audit procedures relating to accounting for the acquisition of the McKenzie Break and Beaufor Properties. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained and examined the underlying agreement related to the acquisition;
- We evaluated management's assessment on whether the acquisition represents an asset acquisition or a business under IFRS 3 Business Combinations;
- We assessed the methodology and key inputs used to estimate the fair value of the property, plant and equipment acquired as part of the transaction, and utilized a valuations expert in doing so;
- We assessed the fair value of the restoration obligation of the McKenzie Break and Beaufor Properties assumed. This included the evaluation of the qualifications, competence, and objectivity of management's external expert who produced inputs to the cost estimates;
- We assessed the adequacy of the presentation and disclosures relating to the acquisition in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits 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 on this other information, 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

Toronto, Ontario
March 28, 2025

MNP **LLP**
Chartered Professional Accountants
Licensed Public Accountants

Probe Gold Inc.

Statements of Financial Position (Expressed in Canadian Dollars)

As at December 31,	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 21,821,819	\$ 25,233,467
Other receivables (note 5)	1,140,471	1,391,920
Marketable securities (note 6)	1,087,409	767,789
Prepaid expenses	282,322	79,386
Current portion of Quebec refundable tax credits and mining duties refund receivable	2,467,345	-
Total current assets	26,799,366	27,472,562
Non-current assets		
Quebec refundable tax credits and mining duties refund receivable	855,771	4,852,680
Reclamation bonds (note 7)	958,186	1,016,195
Property and equipment (note 8)	5,366,772	538,116
Rights-of-use assets (note 9)	335,663	442,806
Total non-current assets	7,516,392	6,849,797
Total assets	\$ 34,315,758	\$ 34,322,359
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 10 and 21)	\$ 2,967,920	\$ 1,526,865
Current portion of lease liability (note 11)	110,641	96,076
Current portion of restoration liabilities (note 7)	1,000,000	-
RSU liability (note 16)	497,674	592,114
Flow-through share liability (note 12)	5,439,701	4,516,742
Total current liabilities	10,015,936	6,731,797
Non-current liabilities		
Lease liability (note 11)	306,710	417,352
Restoration liabilities (note 7)	4,539,343	1,489,899
Total non-current liabilities	4,846,053	1,907,251
Total liabilities	14,861,989	8,639,048
Equity		
Share capital (note 13)	184,935,414	167,359,081
Warrants (note 14)	-	3,679,449
Contributed surplus (notes 15, 16 and 17)	9,448,323	8,555,805
Accumulated deficit	(174,929,968)	(153,911,024)
Total equity	19,453,769	25,683,311
Total liabilities and equity	\$ 34,315,758	\$ 34,322,359

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

Nature of operations (note 1)

Commitments (note 22)

Subsequent events (note 25)

Approved on behalf of the Board:

"David Palmer", Director

"Jamie Horvat", Director

Probe Gold Inc.**Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)

	Year ended December 31,	
	2024	2023
Operating expenses		
Exploration and evaluation expenditures (note 19)	\$ 23,346,172	\$ 24,164,848
General and administrative expenses (note 20)	7,099,999	6,498,062
Operating loss before other income (expenses)	(30,446,171)	(30,662,910)
Other income (expenses)		
Interest and other income	1,293,459	1,136,471
Accretion expense (notes 7 and 11)	(151,611)	(117,039)
Premium on flow-through shares (note 12)	4,911,044	3,013,010
Fair value changes on marketable securities (note 6)	642,090	1,227,222
Loss on sale of equipment (note 8)	(947,204)	-
Loss and comprehensive loss for the period	\$(24,698,393)	\$(25,403,246)
Basic and diluted loss per share (note 18)	\$ (0.14)	\$ (0.16)
Weighted average number of common shares outstanding - basic and diluted	175,394,309	161,720,745

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

Probe Gold Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31,	
	2024	2023
Operating activities:		
Net loss for the year	\$ (24,698,393)	\$ (25,403,246)
Adjustments for:		
Share-based payments (notes 15, 16 and 17)	2,214,497	2,965,529
Depreciation (notes 8 and 9)	176,837	191,642
Accrued interest receivable	73,433	81,893
Fair value changes on marketable securities (note 6)	(642,090)	(1,227,222)
Loss on sale of property and equipment (note 8)	947,204	-
Shares issued to acquire mineral property	104,404	2,581,301
Acquisition of Beaufor and McKenzie Break (note 19(1))	2,150,732	-
Premium on flow-through share (note 12)	(4,911,044)	(3,013,010)
Accretion expense (notes 7 and 11)	151,611	117,039
Restoration fees (note 7)	2,714,011	431,106
Quebec refundable tax credits and mining duties refund receivable (accrued)	1,529,564	(1,900,252)
Changes in non-cash working capital items:		
Other receivables	178,016	1,260,824
Prepaid expenses	(202,936)	99,744
Amounts payable and other liabilities	1,441,055	(600,944)
Net cash used in operating activities	(18,773,099)	(24,415,596)
Investing activities:		
Proceeds from sale of marketable securities	322,470	3,739,611
Proceeds from sale of property and equipment	671,296	-
Purchase of property and equipment	(2,350)	(25,932)
Net proceeds from (purchase of) reclamation bonds (note 7)	58,009	(603,146)
Reclamation completed	(1,900,798)	-
Net cash provided by (used in) investing activities	(851,373)	3,110,533
Financing activities:		
Cash paid for RSUs (note 16)	(499,896)	(695,244)
Proceeds from private placements (note 13(b))	18,003,589	24,999,956
Share issue costs	(1,213,809)	(1,853,642)
Exercise of stock options	85,040	672,526
Lease payments (note 11)	(162,100)	(142,351)
Net cash provided by financing activities	16,212,824	22,981,245
Net change in cash and cash equivalents	(3,411,648)	1,676,182
Cash and cash equivalents, beginning of year	25,233,467	23,557,285
Cash and cash equivalents, end of year	\$ 21,821,819	\$ 25,233,467
Supplemental cash flow information		
Cash received for interest	\$ 1,293,459	\$ 1,064,057
Shares issued to acquire Beaufor and McKenzie Break	\$ 5,514,589	\$ -
Shares issued to acquire mineral properties	\$ 104,404	\$ 2,581,301

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

Probe Gold Inc.

Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars)

Equity attributable to shareholders

	Share capital	Warrants	Contributed surplus	Accumulated deficit	Total
Balance, December 31, 2022	\$145,792,683	\$ 3,679,449	\$ 8,888,468	\$(128,460,154)	\$ 29,900,446
Shares issued to acquire mineral property (note 13(b)(ii) and (iii))	2,581,301	-	-	-	2,581,301
Private placement (note 13(b)(i))	24,999,956	-	-	-	24,999,956
Share issue costs	(1,853,642)	-	-	-	(1,853,642)
Flow-through share premium (note 12(i) and (ii))	(7,529,752)	-	-	-	(7,529,752)
RSUs vested (note 16)	755,034	-	(988,652)	(47,628)	(281,246)
Exercise of stock options	2,613,501	-	(1,940,975)	-	672,526
Stock options expired	-	-	(4)	4	-
Share-based payments (notes 15 and 16)	-	-	2,596,968	-	2,596,968
Loss and comprehensive loss	-	-	-	(25,403,246)	(25,403,246)
Balance, December 31, 2023	\$167,359,081	\$ 3,679,449	\$ 8,555,805	\$(153,911,024)	\$ 25,683,311
Shares issued to acquire mineral property and property and equipment (note 13(b)(v)(vii) and note 19(1))	5,618,993	-	-	-	5,618,993
Private placements (note 13(b)(vi))	18,003,589	-	-	-	18,003,589
Shares issue costs	(1,213,809)	-	-	-	(1,213,809)
Flow-through share premium (note 12(iii))	(5,834,003)	-	-	-	(5,834,003)
RSUs vested (note 16)	753,204	-	(1,017,300)	-	(264,096)
Warrants expired	-	(3,679,449)	-	3,679,449	-
Exercise of stock options	248,359	-	(163,319)	-	85,040
Share-based payments (notes 15, 16 and 17)	-	-	2,073,137	-	2,073,137
Loss and comprehensive loss	-	-	-	(24,698,393)	(24,698,393)
Balance, December 31, 2024	\$184,935,414	\$ -	\$ 9,448,323	\$(174,929,968)	\$ 19,453,769

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

Probe Gold Inc.

Notes to Financial Statements

December 31, 2024 and 2023

(Expressed in Canadian Dollars)

1. Nature of Operations

Probe Gold Inc. (the "Company" or "Probe") was incorporated pursuant to the *Business Corporations Act* (Ontario) under the name "2450260 Ontario Inc." on January 16, 2015. Articles of amendment were subsequently filed on February 3, 2015 to change the name of the Company to "Probe Metals Inc." and on January 9, 2023 to change the name of the Company to "Probe Gold Inc.". The Company's head office is located at 56 Temperance Street, Suite 1000, Toronto, Ontario, Canada, M5H 3V5. The Company's common shares started trading on the TSX Venture Exchange ("TSXV") on March 17, 2015 under the trading ticker symbol "PRB". On January 27, 2023, the Company's common shares started trading on the Toronto Stock Exchange ("TSX") and ceased trading on the TSXV. The Company's symbol remained "PRB". The Company, a Canadian precious metal exploration company, was formed following the acquisition of Probe Mines Limited by Goldcorp Inc. pursuant to the arrangement announced on January 19, 2015.

Probe is a Canadian gold exploration company focused on the acquisition, exploration and development of highly prospective gold properties. The Company is committed to discovering and developing high-quality gold projects, including its key asset the multimillion-ounce Novador (formerly Val-d'Or East Gold Project), Québec.

The financial year end of the Company is December 31st.

2. Material Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee.

The financial statements are presented in Canadian dollars, the Company's functional currency, and have been prepared on a historical cost basis.

The financial statements were authorized for issue by the Board of Directors on March 28, 2025.

Financial Instruments

IFRS 9 - Financial Instruments ("IFRS 9") includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

Probe Gold Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material Accounting Policies (Continued)

Financial Instruments (continued)

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

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

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

The following table summarizes the classification under IFRS 9 for each financial instrument:

Financial instruments	Classification
Cash and cash equivalents	Amortized cost
Other receivables	Amortized cost
Marketable securities	FVTPL
Reclamation bonds	Amortized cost
Amounts payable and other liabilities	Amortized cost
RSU liability	FVTPL

Probe Gold Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material Accounting Policies (Continued)

Financial Instruments (continued)

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Marketable securities and RSU liability are classified as Level 1.

Quebec refundable tax credits and mining duties receivable

The Company is entitled to a refundable duties credit for mining losses under the Mining Duties Act. This credit is based the Company's mining and exploration activities incurred in the Province of Quebec.

Additionally, the Company is entitled to a refundable tax credit for mining companies on qualified exploration expenditures incurred that were not funded by flow-through shares. The refundable tax credit rate is different for qualified expenditures incurred in Northern Quebec compared to other regions in Quebec.

These credits are recognized when the Company incurs qualified expenditures and collectability is considered probable. When recognized, these credits are applied against the costs incurred.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Computer equipment	30%	Declining balance
Equipment	30%	Declining balance
Building	10%	Declining balance
Vehicles	30%	Declining balance
Artwork	-	-
Land	-	-

Artwork is not amortized since it does not have determinable useful life.

At each financial position reporting date the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Probe Gold Inc.

Notes to Financial Statements

December 31, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material Accounting Policies (Continued)

Property and Equipment (continued)

The recoverable amount is the higher of fair value less disposal costs and value in use. In assessing value in use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the pre-tax time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss.

Assets that don't have a determinable useful life are not subject to amortization and are tested annually for impairment. None were noted for the current year.

Assets that are not available for use are not amortized.

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

Probe Gold Inc.

Notes to Financial Statements

December 31, 2024 and 2023

(Expressed in Canadian Dollars)

2. Material Accounting Policies (Continued)

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

The Company assess its exploration arrangements with other entities to determine if joint control, as defined in IFRS 11 - Joint Arrangements, exists over any of the projects. All of the joint venture agreements that the Company is party to have been accounted for as joint arrangements.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows to present value.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a premium on flow-through shares to the statement of loss and comprehensive loss.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources 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.

Share-based Payment Transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. 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 is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Share-based payments incorporates an expected forfeiture rate of nil.

Probe Gold Inc.
Notes to Financial Statements
December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material Accounting Policies (Continued)

Restricted Stock Unit ("RSU")

Under the RSU Plan, selected employees are granted RSUs where each RSU has a value equal to one Probe common share. RSUs are measured at fair value on the grant date. The fair value of RSUs are recognized as a charge to share-based payments as a general and administrative expense over the vesting period with a corresponding increase in equity. RSUs expected to settle in cash are reclassified as a liability and valued at market.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Refer to note 7.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous periods.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The treasury stock method is used to arrive at the diluted loss per share, which is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, options and RSUs outstanding that may add to the total number of common shares.

Probe Gold Inc.

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2. Material Accounting Policies (Continued)

Business Combinations

Business combinations are accounted for using the acquisition method of accounting, whereby identifiable assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition with the excess of the purchase price over such fair value recorded as goodwill. If a transaction does not meet the definition of a business combination as per IFRS standards, the transaction is recorded as an acquisition of an asset.

Significant Accounting Judgments and Estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Restoration, rehabilitation and environmental obligations: Restoration liabilities have been determined based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to liability on a quarterly basis. Actual rehabilitation costs will ultimately depend on the settlement amount for actual rehabilitation costs which will reflect the market condition at the time of costs are incurred. The final cost may be higher or lower than the currently recognized rehabilitation provisions.
- Management determines the fair value of warrants and stock options using the Black-Scholes option pricing model.

Critical accounting judgments

- Income taxes and recovery of deferred tax assets: The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretations and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.
- RSUs: Judgments are made by management to determine whether the RSUs will be settled for cash or shares.
- Accounting for acquisitions: The Company assesses whether an acquisition is an asset acquisition or a business combination. The Company accounts for an acquisition as a business combination if the assets acquired and liabilities assumed constitute a business and the Company obtains control of the business. When the cost of a business combination exceeds the fair value of the identifiable assets acquired or liabilities assumed, such excess is recognized as goodwill. Transaction related costs are expensed as incurred. If an acquisition does not meet the definition of a business combination, the Company accounts for the acquisition as an asset acquisition.

Probe Gold Inc.

Notes to Financial Statements

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3. Capital Risk Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon securing additional financing.

The Company considers its capital to be equity which at December 31, 2024, totaled \$19,453,769.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body other than its flow-through spending obligations.

4. Financial Risk Management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee and Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Other receivables consist mainly of taxes recoverable. The Company has no significant concentration of credit risk arising from operations. The expected credit loss on the remaining receivables is minimal.

(ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Company had cash and cash equivalents of \$21,821,819, to settle current liabilities of \$10,015,936. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Probe Gold Inc.

Notes to Financial Statements

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4. Financial Risk Management (Continued)

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and quoted prices.

(a) Interest rate risk

The Company has \$21,821,819 cash and cash equivalents balance and no interest-bearing debt and was not exposed to interest rate risk. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank. As a result, the Company's exposure to interest rate risk is minimal.

(b) Foreign currency risk

The Company does not have any significant assets in currency other than the functional currency of the Company, nor has significant foreign currency denominated liabilities, therefore any changes in foreign exchange rates will not give rise to significant changes to the net loss.

(c) Price risk

The Company is exposed to price risk with respect to equity prices and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of stock market. Commodity price risk is defined as the potential adverse impact and economic value due to commodity price movements and volatilities.

Sensitivity analysis

The Company's marketable securities are denominated in Canadian dollars and are subject to fair value fluctuations. As at December 31, 2024, if the fair value of the Company's marketable securities had increased/decreased by 20% with all other variables held constant, profit and loss for the year ended December 31, 2024, would have been approximately \$217,000 higher/lower. Similarly, as at December 31, 2024, the Company's reported shareholders' equity would have been approximately \$217,000 higher/lower as a result of a 20% increase/decrease in marketable securities.

Probe Gold Inc.

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5. Other Receivables

	As at December 31, 2024	As at December 31, 2023
Sales tax receivable - (Canada)	\$ 958,378	\$ 1,274,266
Accrued interest receivable	73,433	81,891
Receivable from Midland Exploration Inc.	45,535	1,480
Other	63,125	34,283
	\$ 1,140,471	\$ 1,391,920

6. Marketable Securities

	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 767,789	\$ 3,280,178
Disposals	(322,470)	(3,739,611)
Unrealized gain	1,352,920	752,161
Realized (loss) gain	(710,830)	475,061
Balance, end of year	\$ 1,087,409	\$ 767,789

During the year ended December 31, 2024, the Company recorded an unrealized gain on marketable securities of \$1,352,920 (2023 - \$752,161) and a realized loss on marketable securities of \$710,830 (2023 - gain of \$475,061) in the statements of loss and comprehensive loss.

7. Reclamation Bonds and Restoration Liabilities

Reclamation Bonds

	As at December 31, 2024	As at December 31, 2023
Insurance bond - Monique Property	\$ 402,757	\$ 402,757
Insurance bond - Pascalis Property	10,293	10,293
Insurance bond - Croinor Property	180,943	-
Insurance bond - Beaufor Property	279,541	-
Insurance bond - McKenzie Break Property	84,652	-
Restricted cash - Croinor Property	-	603,145
Total reclamation bonds	\$ 958,186	\$ 1,016,195

Probe Gold Inc.

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7. Reclamation Bonds and Restoration Liabilities (Continued)

Restoration Liabilities

	December 31, 2024	December 31, 2023
Novador Project (Monique Property) restoration liabilities		
Balance, beginning of year	\$ 968,493	\$ 1,008,572
Present value adjustment (i)(iv)	(24,811)	(73,160)
Accretion	29,248	33,081
Balance, end of year	\$ 972,930	\$ 968,493
Novador Project (Pascalis Property) restoration liabilities		
Balance, beginning and end of year	\$ 10,293	\$ 10,293
Novador Project (Beaufor Property) restoration liabilities		
Balance, beginning of year	\$ -	\$ -
Additions during the year (iii)	2,944,998	-
Present value adjustment (iv)	2,302,536	-
Reduction during the year (v)	(1,900,798)	-
Accretion	7,090	-
Balance, end of year	\$ 3,353,826	\$ -
Other Val d'Or Projects (Croinor Property) restoration liabilities		
Balance, beginning of year	\$ 511,113	\$ -
Additions during the year (ii)	-	504,266
Present value adjustment (iv)	33,693	-
Accretion	16,266	6,847
Balance, end of year	\$ 561,072	\$ 511,113
Other Val d'Or Projects (McKenzie Break Property) restoration liabilities		
Balance, beginning of year	\$ -	\$ -
Additions during the year (iii)	205,645	-
Present value adjustment (iv)	402,592	-
Accretion	32,985	-
Balance, end of year	\$ 641,222	\$ -
Total restoration liabilities	\$ 5,539,343	\$ 1,489,899

- (i) In 2023, the present value of restoration liabilities relating to the Company's Monique Property was revalued at year end and was estimated at using risk-free interest rate of 3.02%, period of 18 years and inflation rate of 1.98%. For the year ended December 31, 2023, the impact on accretion expense in the statement of loss and comprehensive loss was \$33,081. The reduction of \$73,160 is related to a present value adjustment.
- (ii) On July 28, 2023, the Company acquired the Croinor Property. With the acquisition, the Company also assumed the reclamation liabilities associated with the past-producing Croinor mine totalling \$504,266. The present value of restoration liabilities relating to the Company's Croinor Property was valued at acquisition and was estimated using risk-free interest rate of 3.29%, period of 20.4 years and inflation rate of 1.98%. In connection with the acquisition, the Company was required to restrict cash of \$603,146 related to the future reclamation obligation.

Probe Gold Inc.

Notes to Financial Statements

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(Expressed in Canadian Dollars)

7. Reclamation Bonds and Restoration Liabilities (Continued)

- (iii) On April 2, 2024, the Company acquired the Beaufor Property (refer to note 19(1)). With the acquisition, the Company also assumed the reclamation liabilities associated with the past-producing Beaufor mine totaling \$2,944,998. The present value of the restoration liabilities relating to the property was valued at acquisition and was estimated using the Company's incremental borrowing rate of 25%, period of 20.75 years and inflation rate of 2.17%.

On April 2, 2024, the Company also acquired the McKenzie Break Property (refer to note 19(1)). With the acquisition, the Company also assumed the reclamation liabilities associated with the property totaling \$205,645. The present value of the restoration liabilities relating to the property was valued at acquisition and was estimated using the Company's incremental borrowing rate of 25%, period of 5.75 years and inflation rate of 1.80%.

- (iv) In 2024, the present value of the restoration liabilities relating to the Company's properties was revalued at year end and was estimated using risk-free interest rate of 2.96% - 3.33%, period of 5 - 20 years and inflation rate of 1.80% - 2.19%. For the year ended December 31, 2024, the impact on accretion expense in the statement of loss and comprehensive loss was \$85,588. The increase totalling \$2,714,010 is related to a present value adjustment.
- (v) The reduction of \$1,900,798 is related to reclamation work completed on the underground mine of the Beaufor Property.

8. Property and Equipment

Cost	Artwork	Land	Computer equipment	Equipment	Building	Vehicles	Total
Balance, December 31, 2023	\$ 121,776	\$ -	\$ 111,556	\$ 438,206	\$ 472,244	\$ -	\$ 1,143,782
Additions	-	69,500	42,350	5,921,500	455,500	28,000	6,516,850
Dispositions	-	-	-	(1,618,500)	-	-	(1,618,500)
Balance, December 31, 2024	\$ 121,776	\$ 69,500	\$ 153,906	\$ 4,741,206	\$ 927,744	\$ 28,000	\$ 6,042,132

Accumulated depreciation	Artwork	Land	Computer equipment	Equipment	Building	Vehicles	Total
Balance, December 31, 2023	\$ -	\$ -	\$ 81,743	\$ 328,601	\$ 195,322	\$ -	\$ 605,666
Depreciation during the year	-	-	9,120	32,882	27,692	-	69,694
Balance, December 31, 2024	\$ -	\$ -	\$ 90,863	\$ 361,483	\$ 223,014	\$ -	\$ 675,360

Carrying value	Artwork	Land	Computer equipment	Equipment	Building	Vehicles	Total
Balance, December 31, 2023	\$ 121,776	\$ -	\$ 29,813	\$ 109,605	\$ 276,922	\$ -	\$ 538,116
Balance, December 31, 2024	\$ 121,776	\$ 69,500	\$ 63,043	\$ 4,379,723	\$ 704,730	\$ 28,000	\$ 5,366,772

Probe Gold Inc.**Notes to Financial Statements****December 31, 2024 and 2023****(Expressed in Canadian Dollars)**

8. Property and Equipment (Continued)

Depreciation has not been recognized for certain buildings and equipment as they have been determined by management not to be available for use.

During the year ended December 31, 2024, the Company sold equipment for cash proceeds of \$671,296 which resulted in a loss on sale of property and equipment of \$947,204.

9. Rights-of-use Assets

	Building
Balance, December 31, 2022	\$ 549,948
Depreciation	(107,142)
Balance, December 31, 2023	\$ 442,806
Depreciation	(107,143)
Balance, December 31, 2024	\$ 335,663

10. Amounts Payable and Other Liabilities

	As at December 31, 2024	As at December 31, 2023
Amounts payables	\$ 1,597,273	\$ 792,764
Accrued liabilities	1,370,647	734,101
	\$ 2,967,920	\$ 1,526,865

11. Lease Liabilities

(i) On November 1, 2018, the Company entered into a 5 year lease agreement to lease an office. The lease payments are \$6,715 and \$6,978 for months one to twenty-four and months twenty-five to sixty, respectively from the commencement date of the lease.

The Company has recorded this lease as a right-of-use asset (note 9) and lease liability in the statement of financial position as at December 31, 2018. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18%, which was the Company's incremental borrowing rate.

On July 29, 2022, the Company extended the lease agreement for an additional 5 years from November 1, 2023 to October 31, 2028 resulting in a modification of the lease. The lease payments are \$8,953 and \$9,480 for months one to twenty-four and months twenty-five to sixty, respectively from the commencement date of the lease.

The lease liability was remeasured at the present value to include the renewal of 5 years. The lease payments are discounted using an interest rate of 14%, which is the Company's incremental borrowing rate. The continuity of the lease liability is presented in the table below:

(ii) On December 1, 2021, the Company entered into a 5 year lease agreement to lease an office. The lease payments are \$4,555 per month.

Probe Gold Inc.

Notes to Financial Statements

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11. Lease Liabilities (Continued)

The Company has recorded this lease as a right-of-use asset (note 9) and lease liability in the statement of financial position as at December 31, 2024. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 14%, which is the Company's incremental borrowing rate. The continuity of the lease liability is presented in the table below:

	Building
Balance, December 31, 2022	\$ 578,668
Accretion expense	77,111
Lease payments	(142,351)
Balance, December 31, 2023	\$ 513,428
Accretion expense	66,023
Lease payments	(162,100)
Balance, December 31, 2024	\$ 417,351

Lease maturity	Under 1 year	Between 1 - 2 years	Between 3 - 5 years	Total
Building	\$ 162,099	\$ 158,598	\$ 208,560	\$ 529,257

12. Flow-Through Share Liability

The following is a continuity schedule of the liability of the flow-through shares issuance:

Balance, December 31, 2022	\$ -
Liability incurred on flow-through shares issued (i)(ii)	7,529,752
Settlement of flow-through share liability on incurring expenditures (i)	(3,013,010)
Balance, December 31, 2023	\$ 4,516,742
Liability incurred on flow-through shares issued (iii)	5,834,003
Settlement of flow-through share liability on incurring expenditures (i)(ii)(iii)	(4,911,044)
Balance, December 31, 2024	\$ 5,439,701

- (i) The flow-through common shares issued in the brokered private placement completed on March 27, 2023 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$3,620,708. The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the year ended December 31, 2024, the Company satisfied \$607,698 of the commitment by incurring eligible expenditures of approximately \$2,517,600 (for the year ended December 31, 2023 - satisfied \$3,013,010 of the commitment by incurring eligible expenditures of approximately \$12,482,000) and as a result the flow-through premium has been reduced to \$nil.
- (ii) The flow-through common shares issued in the brokered private placement completed on December 22, 2023 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$3,909,044. The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the year ended December 31, 2024, the Company satisfied \$3,909,044 of the commitment by incurring eligible expenditures of \$9,999,880 and as a result the flow-through premium has been reduced to \$nil.

Probe Gold Inc.

Notes to Financial Statements

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12. Flow-Through Share Liability (Continued)

- (iii) The flow-through common shares issued in the brokered private placement completed on June 19, 2024 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$5,834,003. The flow-through premium is derecognized through income as the eligible expenditures are incurred. For the year ended December 31, 2024, the Company satisfied \$394,302 of the commitment by incurring eligible expenditures of approximately \$1,014,000 and as a result the flow-through premium has been reduced to \$5,439,701.

13. Share Capital

- a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

- b) Common shares issued

As at December 31, 2024 the issued share capital amounted to \$184,935,414. Changes in issued share capital are as follows:

	Number of common shares	Amount
Balance, December 31, 2022	151,412,680	\$145,792,683
Private placements (i)(iv)	11,934,600	24,999,956
Flow-through share premium (note 12(i) and (ii))	-	(7,529,752)
Share issue costs	-	(1,853,642)
Shares issued for mineral properties (iii)(iv)	1,583,620	2,581,301
Exercise of stock options (note 15(iii))	1,136,420	2,613,501
RSUs vested (note 16)	641,200	755,034
Balance, December 31, 2023	166,708,520	\$167,359,081
Private placements (vi)	10,057,510	18,003,589
Flow-through share premium (note 12(iii))	-	(5,834,003)
Share issue costs	-	(1,213,809)
Shares issued for mineral properties (v)(vii)	3,675,815	5,618,993
Exercise of stock options (note 15(v))	173,550	248,359
RSUs vested (note 16)	533,400	753,204
Balance, December 31, 2024	181,148,795	\$184,935,414

- (i) On March 27, 2023, the Company completed a bought deal private placement consisting of 7,389,200 flow-through shares of the Company at a price of \$2.03 per flow-through share for aggregate gross proceeds of \$15,000,076.

The offering was completed through a syndicate of underwriters led by Canaccord Genuity Corp., and including BMO Capital Markets, CIBC Capital Markets, Sprott Private Partners, iA Private Wealth, and Laurentian Bank Securities. All securities issued and issuable pursuant to the offering are subject to a hold period of four months and one day from closing.

- (ii) On July 25, 2023, the Company issued 61,087 common shares valued at \$99,572 pursuant to an agreement related to the La Peltre option agreement (Detour Project).

Probe Gold Inc.

Notes to Financial Statements

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13. Share Capital (Continued)

b) Common shares issued (continued)

(iii) On July 26, 2023, the Company issued 1,522,533 common shares valued at \$2,481,729 pursuant to an agreement related to the Croinor option agreement (Other Val d'Or Projects).

(iv) On December 22, 2023, the Company completed a bought deal private placement consisting of 4,545,400 flow-through shares of the Company at a price of \$2.20 per flow-through share for aggregate gross proceeds of \$9,999,880.

The offering was completed through a syndicate of underwriters led by BMO Capital Markets, and including Canaccord Genuity Corp., CIBC Capital Markets, SCP Resource Finance LP, and Laurentian Bank Securities Inc.

(v) On April 2, 2024, the Company issued 3,580,902 common shares valued at \$5,514,589 pursuant to the purchase and sale agreement related to the Beaufor (Novador Project) and McKenzie Break properties (Other Val d'Or Projects) (refer to note 19(1)).

(vi) On June 19, 2024, the Company completed a bought deal private placement consisting of 2,480,883 non flow-through shares of the Company at a price of \$1.21 per non flow-through share and 7,576,627 flow-through shares of the Company at a price of \$1.98 per flow-through share for aggregate gross proceeds of \$18,003,589.

The offering was completed through a syndicate of underwriters led by Beacon Securities Limited, Canaccord Genuity Corp., BMO Capital Markets, CIBC Capital Markets and SCP Resource Finance LP.

(vii) On August 7, 2024, the Company issued 94,913 common shares valued at \$104,404 pursuant to an agreement related to the La Peltre option agreement (Detour Project).

14. Warrants

	Number of warrants	Grant date fair value
Balance, December 31, 2022 and December 31, 2023	6,350,000	\$ 3,679,449
Expired	(6,350,000)	(3,679,449)
Balance, December 31, 2024	-	\$ -

There are no warrants outstanding as at December 31, 2024.

Probe Gold Inc.

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15. Stock Options

	Number of stock options	Weighted average exercise price
Balance, December 31, 2022	9,696,800	\$ 1.33
Stock options granted (i)(ii)	1,640,000	1.43
Exercise of stock options(iii)	(3,007,494)	1.20
Stock options expired	(6)	1.22
Balance, December 31, 2023	8,329,300	1.39
Stock options granted (iv)	1,000,000	1.46
Exercise of stock options (v)	(173,550)	0.49
Stock options forfeited	(225,000)	1.49
Balance, December 31, 2024	8,930,750	\$ 1.42

The total share-based compensation for options granted in current and prior years and vested during the year ended December 31, 2024 amounted to \$832,922 (2023 - \$1,450,108).

- (i) On February 9, 2023, the Company granted options to acquire a total of 1,440,000 common shares of the Company to officers, directors, key employees and consultants at the exercise price of \$1.43 per share for a period of five years. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.50; expected dividend yield of 0%; risk-free interest rate of 3.20%; volatility of 58% and an expected life of 5 years. The fair value assigned to these options was \$1,159,672.
- (ii) On April 5, 2023, the Company granted options to acquire a total of 200,000 common shares of the Company to a director at the exercise price of \$1.47 per share for a period of five years. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.47; expected dividend yield of 0%; risk-free interest rate of 2.87%; volatility of 58% and an expected life of 5 years. The fair value assigned to these options was \$153,460.
- (iii) During the year ended December 31, 2023, the Company issued 1,136,420 common shares from exercise of 3,007,494 share options. 2,418,682 share options were settled on a net exercise basis through the issuance of 547,608 common shares at weighted average trading prices of \$1.57. The remaining 588,812 share options were settled through the issuance of 588,812 common shares and the Company received cash proceeds of \$672,526. The fair value of \$1,940,975 was transferred from contributed surplus to share capital from the exercise of options.
- (iv) On March 28, 2024, the Company granted options to acquire a total of 1,000,000 common shares of the Company to officers, directors, key employees and consultants at the exercise price of \$1.46 per share for a period of five years. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. The fair value of these options was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of \$1.46; expected dividend yield of 0%; risk-free interest rate of 3.51%; volatility of 55% and an expected life of 5 years. The fair value assigned to these options was \$739,704.
- (v) During the year ended December 31, 2024, the Company issued 173,550 common shares from exercise of 173,550 share options. The Company received cash proceeds of \$85,040 and the fair value of \$163,319 was transferred from contributed surplus to share capital from the exercise of options.

Probe Gold Inc.

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(Expressed in Canadian Dollars)

15. Stock Options (Continued)

The following table reflects the actual stock options issued and outstanding as of December 31, 2024:

Expiry date	Exercise price (\$)	Options outstanding	Weighted average remaining contractual life (years)	Options exercisable
February 20, 2025	1.17	2,850,000	0.14	2,850,000
March 19, 2025	0.26	165,750	0.21	165,750
February 24, 2026	1.42	1,425,000	1.15	1,425,000
June 7, 2026	1.72	200,000	1.43	200,000
March 22, 2027	1.87	1,575,000	2.22	1,050,000
May 2, 2027	2.05	75,000	2.33	50,000
February 9, 2028	1.43	1,440,000	3.11	480,000
April 5, 2028	1.47	200,000	3.26	66,667
March 28, 2029	1.46	1,000,000	4.24	-
		8,930,750	1.75	6,287,417

16. Restricted Stock Unit ("RSU") Plan

During the year ended December 31, 2018, the Company adopted a RSU plan. The RSU plan provides for a fixed maximum limit of 7,000,000 RSUs.

	RSUs outstanding
Balance, December 31, 2022	3,102,000
Granted (i)	912,000
Vested (ii)	(1,145,000)
Balance, December 31, 2023	2,869,000
Granted (i)	905,000
Forfeited	(221,500)
Vested (iii)	(915,000)
Balance, December 31, 2024	2,637,500

Compensation for the year ended December 31, 2024 related to the vesting of RSUs was \$1,238,995 (2023 - \$1,515,421) and was recorded as share-based payments in the statement of loss and comprehensive loss.

- (i) During the year ended December 31, 2024, the Company granted 905,000 RSUs to officers, directors and key employees of the Company (2023 - 912,000 RSUs) under the terms of the Company RSU Plan. The RSUs will vest in full three years from the date of grant.
- (ii) During the year ended December 31, 2023, 1,145,000 RSUs vested. 641,200 of these RSUs converted to common shares with a value of \$755,034, 253,800 RSUs were settled in cash for withholding taxes with a value of \$350,244 and 250,000 RSUs settled in cash with a value of \$345,000.
- (iii) During the year ended December 31, 2024, 915,000 RSUs vested. 533,400 of these RSUs converted to common shares with a value of \$753,204, 291,600 RSUs were settled in cash for withholding taxes with a value of \$381,996 and 90,000 RSUs settled in cash with a value of \$117,900.

Probe Gold Inc.**Notes to Financial Statements****December 31, 2024 and 2023****(Expressed in Canadian Dollars)**

17. Performance Stock Unit ("PSU") Plan

PSUs are subject to vesting requirements based on specific performance measurements of the Company.

	PSUs outstanding
Balance, December 31, 2022 and December 31, 2023	-
Granted (i)	360,000
Balance, December 31, 2024	360,000

Compensation for the year ended December 31, 2024 related to the vesting of PSUs was \$142,580 (2023 - \$nil) and was recorded as share-based payments in the statement of loss and comprehensive loss.

- (i) On March 28, 2024, the Company granted 360,000 PSUs to officers, directors and key employees of the Company under the terms of the Company PSU Plan. The number of common shares that can be issued to settle vested PSUs is between 0 to 720,000, based on the Company's share price performance relative to the share price performance of the GDXJ Index. The PSUs will vest in three years from the date of grant.

18. Net Loss Per Share

The calculation of basic and diluted loss per share for the year ended December 31, 2024 was based on the loss attributable to common shareholders of \$24,698,393 (2023 - \$25,403,246) and the weighted average number of common shares outstanding of 175,394,309 (2023 - 161,720,745). Diluted loss per share did not include the effect of stock options, warrants, RSUs and PSUs as they are anti-dilutive.

19. Exploration and Evaluation Expenditures

	Year ended December 31,	
	2024	2023
Novador Project (i)	\$ 18,532,298	\$ 16,806,434
Other Val-d'Or Projects (i)	4,512,764	6,085,676
Detour Project	1,143,928	3,196,990
Casa-Cameron Project	76,994	55,094
Central Ontario Projects	266,765	-
Black Creek Property	1,558	1,098
Victory Property	804	975
Tamarack-McFauld's Lake Property	237,201	419
Project Generation	42,796	4,542
Tax credit related to resources	(1,468,936)	(1,986,380)
	\$ 23,346,172	\$ 24,164,848

Probe Gold Inc.

Notes to Financial Statements

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19. Exploration and Evaluation Expenditures (Continued)

	Year ended December 31,	
	2024	2023
Advanced exploration	\$ 709,715	\$ 434,069
Drilling	9,932,297	16,503,600
Environment	1,253,730	115,988
General field expenses	305,381	126,308
Geochemical	1,518,130	61,250
Geology	958,331	944,338
Geophysics	284,160	995,866
Metallurgical testwork	14,444	48,007
Option payment and staking claims	231,843	295,670
Pre-feasibility study	516,436	722,124
Preliminary economic assessment	760,595	794,504
Property acquisition cost	5,335,732	4,985,995
Restoration fees	2,714,010	(73,160)
Social and community	375,587	294,567
Operator of exploration project	(95,283)	(97,898)
Tax credit related to resources	(1,468,936)	(1,986,380)
	\$ 23,346,172	\$ 24,164,848

1) Val-d'Or

Novador (formerly Val-d'Or East)

The Novador Project is located approximately 26 kilometers east of the city of Val-d'Or in Québec, Canada. The Company owns 100% interest in the following properties Pascalis, Monique, Courvan Senore, Beaufor, Lapaska, Bonnefond North, Aurbel East and Megiscane-Tavenier properties. Certain properties are subject to various royalties:

- Net Smelter Royalties ("NSR") ranging from 0.38% to 3.0%% on specific properties. Certain NSRs can be repurchased by the Company ranging from 0.5% - 1.5% for \$500,000 - \$2,000,000 respectively.
- A 5% NSR on one mining claim payable at Lapaska.
- A 1% gross sale royalty on certain mining claims of a specific property.
- A 5% net profit royalty on certain mining claims from a specific property.

The Company has 60% interest in the Cadillac Break East property. The joint venture ("JV") participation is 60% Probe and 40% Agnico Eagle Mines Limited ("Agnico"). If a participant's interest is diluted to less than 10%, its JV interest will be converted to a 2% NSR.

Dubuisson

The Dubuisson Property is located in Dubuisson Township, approximately 7 kilometers west of downtown Val-d'Or. The Dubuisson JV with Agnico was formed in 2010. The JV participation is 46.3% Probe and 53.7% Agnico. Dubuisson is subject to a royalty of \$25 per ounce on the first 30,000 ounces of gold extracted from the property and thereafter subject to a 2% NSR, of which half (1%) may be purchased by paying \$500,000 within two (2) years after commercial production.

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19. Exploration and Evaluation Expenditures (Continued)

Beaufor and McKenzie Break Properties

On April 3, 2024, the Company announced it completed an agreement of purchase and sale with Monarch Mining Corporation ("Monarch"), pursuant to which it acquired a 100% interest in the McKenzie Break and Beaufor properties for aggregate consideration of \$8,614,589, paid to Monarch as follows:

- the Company issued 3,580,902 common shares valued at \$5,514,589; and
- a cash payment of \$3.1 million.

In addition, the Company acquired property and equipment valued at \$6,514,500 (refer to note 8). The Company also assumed the reclamation liabilities totalling \$3,150,643 (refer to note 7).

The Company allocated the acquisition costs of \$8,614,589 to individual assets acquired and liabilities assumed as follows:

Property and equipment	\$ 6,514,500
Restoration liabilities	(3,150,643)
Exploration and evaluation expenditures - Property acquisition cost	5,250,732
	<u>\$ 8,614,589</u>

2) Other Val-d'Or Projects

On July 28, 2023, the Company acquired a 100% interest in the Croinor property, located adjacent to the Novador project in Val d'Or, Quebec, from Monarch. Pursuant to the purchase agreement, the Company paid a consideration totaling \$4.5 million as follows:

- 1,522,533 common shares valued at \$2,481,729 on July 26, 2023; and
- a cash payment of \$2 million.

In addition, the Company assumed the reclamation liabilities associated with the past-producing Croinor mine totalling \$504,266. In connection with the acquisition of the Croinor property, the Company recorded an expense of \$4,985,995 included in exploration and evaluation expenses on the statements of loss and comprehensive loss. The property is subject to NSRs ranging from 0.75% to 2.75%.

3) Detour Quebec

The Detour Quebec Project includes the La Peltre JV property, the Gaudet-Fenelon JV property, and the 100%-owned Detour Quebec Main and North properties. The Detour Quebec Project is located 190 kilometers north of Rouyn-Noranda and 40 kilometers northwest of the town of Matagami in Quebec. Certain properties are subject to various royalties:

- NSRs ranging from 1.5% to 2.0% on specific properties. Certain NSRs can be repurchased by the Company ranging from 0.5% - 1.5% for \$500,000 - \$2,000,000 respectively.
- Gross Metal Royalty ("GMR") ranging from 2% to 2.5% on specific properties. Certain GMRs can be repurchased by the Company ranging from 1.0% - 1.5% for \$500,000 to \$1,500,000 respectively.

Probe Gold Inc.

Notes to Financial Statements

December 31, 2024 and 2023

(Expressed in Canadian Dollars)

19. Exploration and Evaluation Expenditures (Continued)

3) Detour Quebec (continued)

Under the terms of a JV agreement for the Gaudet-Fenelon JV property, the Company and Midland Exploration Inc. ("Midland") each have a 50% participating interest. The property is contiguous with the Company's Detour Quebec 100%-owned project. The Company will remain the operator and each party will be responsible for funding its proportionate share of expenditures on the JV Project. If a participant's interest is diluted to less than 10%, its JV interest will be converted to a 2% NSR. The remaining participant shall have the right to repurchase 1% of the NSR for \$1,500,00 in cash.

On May 14, 2020, the Company announced the completion of the acquisition of SOQUEM Inc. ("SOQUEM") 25% interest in the Company's Detour Joint-Venture Project (the "Acquisition"). Pursuant to the Acquisition, the Company owns 100% of the Detour Project. In September 2017, the Company entered into a 75-25 JV agreement with SOQUEM on its Detour Project. The Company's ownership in the claims under this agreement are subject to a milestone payment of \$1,000,000 if a positive Preliminary Economic Assessment is released including mineral resources of at least 1 million ounces of gold.

In July 2020, the Company announced that it closed the option agreement with Midland, whereby it may earn up to a 65% interest in the La Peltrie gold property (the "La Peltrie Property"). The La Peltrie Property is contiguous with the Company's Detour Quebec 100%-owned project. On September 6, 2024, the Company notified Midland of their exercise of a 50% interest in the property and the formation of a JV. The property is subject to a GMR of 1% and to a 2% NSR. 1% of the NSR can be purchased at any time by paying \$1,500,000 if the Company exercises its option.

4) Casa Cameron

The Casa Cameron Project includes 4 properties that are located north of La Sarre, Amos and Lebel-sur-Quevillon, in the northwest region of the province of Quebec and are readily accessible year-round with paved and gravel roads. The 100%-own project includes the Casagasic, Sinclair-Bruneau and Florence properties. The Properties are subject to NSRs varying from 1.5% to 2.0%. of which 1% of certain NSRs can be repurchased by the Company ranging from \$250,000 to \$1,000,000.

5) Black Creek, Tamarack-McFauld's Lake, Victory Properties

The Black Creek, Tamarack-McFauld's Lake, Victory Properties are 100% owned by the Company and are located in the James Bay Lowlands of northern Ontario, approximately 300 kilometers north of the town of Nakina.

6) Timmins West / Meunier-144

The Meunier-144 JV property is located in the western part of the prolific Timmins gold camp, approximately 19 kilometres west of the town of Timmins in Ontario, Canada. The Meunier-144 property is a 50/50 JV with Pan American Silver, the operator of the project. The property is subject to a 2.5% NSR of which a 1% NSR may be purchased at any time by Probe for \$2,000,000. Also, under the terms of the agreement, Probe is subject to a payment of \$2,000,000 in the case where a pre-feasibility study conducted on the property could indicate the potential for commercial production of at least 1 million ounces of gold.

7) Central Ontario Projects

The Central Ontario Projects are 100% owned by the Company and are subject to 1.5% NSR. The Company can repurchase 1/3 of the 1.5% NSR at any time for \$500,000.

Probe Gold Inc.**Notes to Financial Statements****December 31, 2024 and 2023****(Expressed in Canadian Dollars)**

20. General and Administrative Expenses

	Year ended December 31,	
	2024	2023
Share-based payments (notes 15, 16, 17 and 21)	\$ 2,214,497	\$ 2,965,529
Salaries and benefits (note 21)	2,167,469	1,492,006
Director fees (note 21)	413,000	404,629
Professional fees (note 21)	703,478	392,763
Travel and promotion costs	487,212	361,506
Depreciation (notes 8 and 9)	176,837	191,642
Administrative costs	616,648	239,027
Shareholder information	235,203	385,084
Occupancy costs	85,655	65,876
	\$ 7,099,999	\$ 6,498,062

21. Related Party Balances and Transactions

Related parties include the Board of Directors and management, close family and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions are approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties:

(i) Dennis H. Peterson, a director of the Company, controls Peterson McVicar LLP ("Peterson McVicar") which provided legal services to the Company. The amounts charged by Peterson McVicar are based on what Peterson McVicar usually charges its clients. The Company expects to continue to use Peterson McVicar for an indefinite period. During the year ended December 31, 2024, the Company paid professional fees of \$106,088 (2023 - \$113,530) to Peterson McVicar. As at December 31, 2024, Peterson McVicar was owed \$13,320 (December 31, 2023 - \$32,782) and this amount was included in amounts payable and other liabilities.

(b) Remuneration of directors and key management personnel, other than consulting fees, of the Company was as follows:

	Year ended December 31,	
	2024	2023
Salaries and benefits ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 2,652,360	\$ 2,251,000
Share-based payments	\$ 2,017,842	\$ 2,449,258

(i) For the year ended December 31, 2024, \$1,932,360 of these costs (2023 - \$1,651,000) are included in general and administrative expenses and \$720,000 (2023 - \$600,000) are included in exploration and evaluation expenditures.

(ii) The directors do not have employment or service contracts with the Company. Directors are entitled to director fees, stock options and RSUs for their services. As at December 31, 2024, officers and directors were owed \$860,837 (December 31, 2023 - \$593,959) and this amount was included in amounts payable and other liabilities.

Probe Gold Inc.

Notes to Financial Statements

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22. Commitments

Pursuant to the terms of flow-through share agreement, the Company is in the process of complying with its flow-through contractual obligations to subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As of December 31, 2024, the Company is committed to incurring approximately \$14 million in Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) by December 31, 2025 arising from the flow-through offerings.

23. Segmented Information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts. In order to determine reportable operating segments, the chief operating decision maker reviews various factors including geographical location, quantitative thresholds and managerial structure.

24. Income Taxes

(a) Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2023 - 26.5%) to the effective tax rates is as follows:

	Year ended December 31,	
	2024	2023
Net loss before income taxes	\$ (24,698,393)	\$ (25,403,246)
Expected income tax recovery at statutory rates	(6,545,074)	(6,731,860)
Share-based compensation	586,842	785,865
Unrealized gain on marketable securities	(226,354)	(131,134)
Effect of flow-through shares	3,899,987	2,509,406
Unrecognized deferred tax benefits	2,284,599	3,567,723
Income tax recovery	\$ -	\$ -

(b) Unrecognized deductible temporary differences

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Unrecognized deductible temporary differences		
Non-capital losses	\$ 30,209,810	\$ 29,806,226
Exploration and evaluation expenditures and related tax credits	38,535,427	33,290,967
Investments	1,862,233	2,711,153
Share issuance costs	2,886,732	2,817,804
Leased assets	81,688	70,622
Restoration liabilities	5,539,343	1,655,092
Other temporary differences	1,171,307	157,597
	\$ 80,286,540	\$ 70,509,461

Probe Gold Inc.

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24. Income Taxes (Continued)

(c) Tax loss carry-forwards

Non-capital losses will expire between 2032 and 2044. Share issue costs will be deducted over the next 4 years. The remaining deductible temporary differences may be carried forward indefinitely.

25. Subsequent Events

On January 6, 2025, the Company announced that it acquired a 100% interest in the Bermont Claims, adjacent to the Company's Monique Property for \$3 million, consisting of \$1.5 million in cash and 894,432 common shares representing \$1.5 million in common shares at a deemed price per share of \$1.677 based on the 10-day VWAP prior to the closing date. An additional \$1.5 million milestone payment will be made upon confirming a mineral resource of at least 1,000,000 ounces of gold (M&I or higher) in accordance with National Instrument 43-101 – Standards for Disclosure on Mineral Products. The vendor retains a 3.5% NSR over the Bermont Claims of which 2.5% can be purchased by the Company, at any time, for \$2,500,000.

On January 7, 2025, the Company announced that it acquired a 100% interest in the Stella Property for consideration of 149,066 common shares of the Company, at a deemed price per Share of \$1.677, which is equal to \$250,000 based on the 15-day volume weighted average price per share on the TSX ended the last trading day immediately prior to the date of the agreement. Certain claims of the property are subject to 3% NSR.

On February 6, 2025, the Company granted options to acquire a total of 690,000 common shares of the Company to officers, directors and employees at the exercise price of \$1.94 per share for a period of five years. Vesting of the stock options is as follows: one-third after one year, one-third after two years and one-third after three years. The Company also granted 756,000 RSUs and 335,000 PSUs to officers, directors and employees of the Company. The RSUs and PSUs will vest in full three years from the date of grant. The number of common shares that can be issued to settle vested PSUs is between 0 to 670,000, based on the Company's share price performance relative to the share price performance of the GDXJ Index.

On March 19, 2025, the Company announced a bought deal private placement for aggregate gross proceeds of up to \$45,275,000. The offering will consist of 6,250,000 flow-through shares at a price of \$3.24 per flow-through shares and 13,750,000 common shares at a price of \$1.82 per share for gross proceeds of \$25,025,000.

Subsequent to December 31, 2024, the Company issued 1,319,235 common shares from exercise of 3,015,750 share options. 2,957,440 share options were settled on a net exercise basis through the issuance of 1,260,925 common shares at weighted average trading prices of \$1.97. The remaining 58,310 share options were settled through the issuance of 58,310 common shares and the Company received cash proceeds of \$41,605.