INTERNATIONAL PROSPECT VENTURES LTD.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of International Prospect Ventures Ltd.

Opinion

We have audited the consolidated financial statements of International Prospect Ventures Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss (income) and comprehensive loss (income), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that as at December 31, 2024, the Company has not yet generated any revenues or cash flows from operations and has an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

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In addition to the matter described in Material uncertainty related to going concern section, we have determined that matters described below to be key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of private investments	
The Company has a private investment with a value of $240,000 at December 31, 2024, which is recorded at fair value through profit or loss. The private investment was considered a level 3 financial instrument for which quoted prices or observable inputs are not available. Management uses valuation techniques that require significant non-observable inputs to determine the fair value, requiring management's estimation and judgments. The fair value measurement of private investments was a key audit matter because the valuation required the application of significant judgement in assessing the non-observable inputs used.	Our audit procedures included, but were not limited to: - Evaluating the methodology and significant inputs used by management. - Performing a recalculation of the valuation approach to assess the modelling assumptions and significant inputs used to estimate the fair value, which involved corroboration of certain inputs and assumptions applied by management. Specifically, the most recent financing price was validated to support the share price used in the fair value estimate. - Assessment of adequacy and completeness of relevant financial statement disclosures.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Regina Kwong.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 24, 2025

INTERNATIONAL PROSPECT VENTURES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		As at December 31, 2024		As at December 31, 2023
ASSETS					
Current assets					
Cash and cash equivalents	6	$	**90,633**	$	41,785
Other assets	7		**40,549**		13,948
Short-term investments	8		**18,480**		300,000
			149,662		355,733
Non-current assets					
Investments	8		**266,667**		240,000
TOTAL ASSETS		$	**416,329**	$	595,733
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**44,696**	**$**	54,363
Due to related parties	13		**48,888**		134,667
Total liabilities			**93,584**		189,030
EQUITY					
Share capital	10		**5,562,726**		5,103,332
Contributed surplus	10		**482,328**		454,532
Warrants	10		**560,466**		497,628
Deficit			**(6,282,775)**		(5,648,789)
Total equity			**322,745**		406,703
TOTAL LIABILITIES AND EQUITY		$	**416,329**	$	595,733

Going Concern (Note 2)
Commitment and contingencies (Note 17)

On behalf of the Board of Directors,

"Glenn J. Mullan"	*"Dr. Robert I. Valliant"*
(signed Glenn J. Mullan)	(signed Robert I. Valliant)
Director	Director

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

INTERNATIONAL PROSPECT VENTURES LTD.

Consolidated Statements of Net (loss) income and Comprehensive (loss) income

(Expressed in Canadian Dollars)

	Notes		For the year ended December 31, 2024		2023
Operating expenses					
General and administrative	13	**$**	**236,777**	$	227,488
Exploration and evaluation expenses (recoveries)	9		**225,498**		(245,014)
Total operating expenses (recoveries)			**462,275**		(17,526)
Other expenses (recoveries)					
Change in fair value of investment in public company	8		**153,236**		-
Change in fair value of investment in private company	8		**(26,667)**		-
Share-based payments	10		**107,681**		-
Forgiveness of debt	10,13		**(57,000)**		-
Foreign exchange (gain) loss			**(6,188)**		2,928
Finance expense			**1,397**		2,033
Finance income			**(748)**		(199)
Total other expenses (recoveries)			**171,711**		4,762
Net (loss) income and total comprehensive (loss) income for the year		**$**	**(633,986)**	$	12,764
Basic and diluted loss per common share	11	**$**	**(0.011)**	$	0.000
Weighted average number of common shares outstanding	11		**56,643,691**		50,675,223

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

INTERNATIONAL PROSPECT VENTURES LTD.

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share capital			Contributed Surplus		Warrants		Deficit		Total
	Number									
Balance on December 31, 2023	51,161,798	$	5,103,332	$	454,532	$	497,628	$	(5,648,789)	$ 406,703
Issuance of units under private placement	6,100,000		239,325		-		65,675		-	305,000
Issuance of shares on settlement of debt	1,200,000		60,000		-		-		-	60,000
Issuance of share on exercise of incentive stock options	2,159,444		187,857		(79,885)		-		-	107,972
Issuance of warrants and payment of finders' fees	-		(4,569)		-		2,369		-	(2,200)
Share issuance costs	-		(23,219)		-		(5,206)		-	(28,425)
Share-based payment	-		-		107,681		-		-	107,681
Net loss and comprehensive loss for the year	-		-		-		-		(633,986)	(633,986)
Balance on December 31, 2024	60,621,242	$	5,562,726	$	482,328	$	560,466	$	(6,282,775)	$ 322,745

	Share capital			Contributed Surplus		Warrants		Deficit		Total
	Number									
Balance on December 31, 2022	50,561,798	$	5,085,332	$	454,532	$	497,628	$	(5,661,553)	$ 375,939
Issuance of shares on payment of finders' fees	600,000		18,000		-		-		-	18,000
Net income and comprehensive income for the year	-		-		-		-		12,764	12,764
Balance on December 31, 2023	51,161,798	$	5,103,332	$	454,532	$	497,628	$	(5,648,789)	$ 406,703

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

INTERNATIONAL PROSPECT VENTURES LTD.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

		For the year ended December 31,	
	Notes	**2024**	2023
OPERATING ACTIVITIES			
Net (loss) income for the year		$ **(633,986)**	$ 12,764
Adjustments:			
Change in fair value of investment in public company	8	**153,236**	-
Change in fair value of investment in private company	10	**(26,667)**	-
Share-based payments	10	**107,681**	-
Forgiveness of debt	10,13	**(57,000)**	-
Recovery of exploration and evaluation expenses		**-**	(522,000)
		(456,736)	(509,236)
Change in non-cash working capital items			
Other assets		**(26,601)**	15,181
Accounts payable and accrued liabilities		**(9,667)**	17,761
Due to related parties		**36,768**	108,271
		500	141,213
Cashflows used by operating activities		**(456,236)**	(368,023)
INVESTING ACTIVITIES			
Proceeds on sale of short-term investments	8	**128,284**	-
Cashflows from investing activities		**128,284**	-
FINANCING ACTIVITIES			
Proceeds from issuance of units under a private placement	10	**305,000**	-
Proceeds from exercise of incentive stock options	10	**102,425**	-
Share issuance costs		**(30,625)**	-
Cashflows from financing activities		**376,800**	-
Increase (decrease) in cash and cash equivalents		$ **48,848**	$ (368,023)
Cash and cash equivalents, beginning of year		**41,785**	409,808
Cash and cash equivalents, end of year	6	**$ 90,633**	$ 41,785

Supplemental information (note 18)

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

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

International Prospect Ventures Ltd. (the "Company" or “International Prospect”), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val-d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2772 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9. The Company's common shares are trading on the TSX Venture Exchange under the trading symbol "IZZ".

The Board of Directors approved the consolidated financial statements for issue on April 24, 2025.

2) GOING CONCERN

These consolidated financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (“IASB”) and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospecting operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any revenues or cash flows from its operations, has an accumulated deficit and there is no assurance that the business will be profitable in the future.

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the consolidated financial statements and the classification used in the consolidated financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3) NEW AND FUTURE ACCOUNTING POLICIES

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations relevant to the Company's consolidated financial statements is provided below and are being evaluated to determined their impact on the consolidated financial statements. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

A number of amendments to standards were effective for annual periods beginning on or after January 1, 2024:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. There was no material impact on the Company's consolidated financial statements from the adoption of these amendments in fiscal 2024.

Future Accounting Pronouncements

The Company has not applied the following amendments to Accounting Standards and new standards that have been issued but are not yet effective:

IFRS 18, Presentation and Disclosure in the Financial Statements (effective January 1, 2027) replaces IAS 1, Presentation of Financial Statements - IFRS 18 carries forward many requirements from IAS 1 but introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management-defined performance measures, and less aggregation of items into large, single numbers. IFRS 18 promotes a more structured income statement, including a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (operating, investing, and financing) based on the Company's main business activities. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. Management is currently assessing the impacts of the new standard on the Company's consolidated financial statements.

3) NEW AND FUTURE ACCOUNTING POLICIES (continued)

Lack of Exchangeability (Amendments to IAS 21) - In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) - In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to asses the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments ("CLIs"). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at fair value through other comprehensive income. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

4) MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and have been prepared using the historical cost convention, as modified by revaluation of certain financial instruments, which are measured in accordance with the policy described in note 5. Accounting policies are consistently applied to all years presented, unless otherwise stated. The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

4) MATERIAL ACCOUNTING POLICIES (continued)

b) Subsidiaries

These consolidated financial statements include the accounts of International Prospect and its wholly owned subsidiary, Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia. Subsidiaries are consolidated where the Company has the ability to exercise control. Control of an investee exists when the Company is exposed to variable returns from the Company's involvement with the investee and has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control. All intercompany balances, transactions, income and expenses and gains or losses have been eliminated on consolidation.

c) Exploration and evaluation expenditures

The Company's exploration and evaluation expenditures include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. Exploration and evaluation costs are expensed as incurred and included in the consolidated statement of net (loss) income until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets and included as a component of property, plant and equipment. Capitalization ceases when the mine is capable of commercial production.

d) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its wholly-owned subsidiary.

e) Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas nonmonetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses are translated at the exchange rate in effect at the transaction date. Expenses settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of net loss and comprehensive loss.

4) MATERIAL ACCOUNTING POLICIES (continued)

f) Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e., the President and the Board of Directors. The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. The Company's exploration and evaluation assets are located in Canada and Australia.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and demand deposit, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

h) Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of exploration and evaluation expenses incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

i) Provisions

Provisions are recognized when present legal or constructive obligations as a result of a past event will lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with the current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when: (a) there is constructive commitment that has resulted from past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) the amount of the obligation can be measured with sufficient reliability.

4) MATERIAL ACCOUNTING POLICIES (continued)

i) Provisions (continued)

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

At December 31, 2024 and 2023, there is no provision in the consolidated statements of financial position.

j) Income taxes

Tax expense recognized in the consolidated statements of net (loss) income and comprehensive (loss) income comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred tax expense the consolidated statements of net loss and comprehensive loss, except where they relate to items that are recognized in other comprehensive loss or directly in equity, in which case the related deferred tax is also recognized in other comprehensive loss or equity, respectively.

4) MATERIAL ACCOUNTING POLICIES (continued)

k) Equity

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the quoted price on the day of the conclusion of the agreement.

Unit placements

The Company has adopted the fair value method with respect to the measurement of common shares and warrants issued as private placement units. Warrants attached to units are valued based on the fair value of warrants using the Black-Scholes valuation model and the share price at the time of financing, and the difference between the proceeds raised and the value assigned to the warrants is the pro-rated fair value of the shares.

Other elements of equity

Contributed surplus includes charges related to stock options until such are exercised.

Warrants include fair values allocated to the warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital.

Deficit includes all current and prior period retained profits and losses.

Equity-settled share-based payments

The Company operates an equity-settled share-based payments plan for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services received by reference to the fair value of the equity instruments granted.

4) MATERIAL ACCOUNTING POLICIES (continued)

k) Equity (continued)

All equity-settled share-based payments (except equity-settled share-based payments to brokers) are ultimately recognized as an expense in the consolidated statements of net (loss) income and comprehensive (loss) income, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to Warrants and also Share Capital, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if stock options ultimately exercised are different to that estimated on vesting.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

l) Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the same period.

Diluted loss per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares. The diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding warrants and options.

4) MATERIAL ACCOUNTING POLICIES (continued)

m) Financial Instruments

Classification

Financial Assets/Liabilities	Classification
Cash and cash equivalents	Financial asset at amortized cost
Investments	FVTPL
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Due to related parties	Financial liabilities at amortized cost

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as fair value through profit or loss ("FVTPL"). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at fair value through other comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income and comprehensive (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income and comprehensive (loss) income in the period in which they arise. Where the Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive (loss) income.

4) MATERIAL ACCOUNTING POLICIES (continued)

m) Financial Instruments (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing consolidated financial statements, management undertakes a number of estimates, judgments and assumptions about recognition and measurement of assets, liabilities, income and expenses. These estimates and judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to note 2 for further information.

Recognition of deferred tax assets and measurement of income tax expense

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Corporation's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Income, value added, withholding and other taxes

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

Operating segment

The ability to aggregate the Company’s operating segments based on similar economic characteristics requires judgment to be applied and is dependent on entity-specific facts and circumstances.

Title to mineral property interests

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

Estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates (continued)

Fair value measurement and disclosure

The Company's financial assets that are measured at fair value on a recurring basis include investments in private companies. The Company also discloses the fair value of other financial instruments not measured at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

For investments in private companies, the fair value was estimated based on the history of capital raises of the investee and on the company information. Provisions recognized on recoverability of investments in private companies are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that a change in future business conditions in the private companies could require a material change in the recognized amount.

Fair value of stock options

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the volatility, the probable life of share options granted, forfeiture rates, and the time of exercise of those share options. The expected volatility is based on the historical volatility of the Company, over the period of the expected life of the stock options. The expected life of the stock options and forfeiture rates are based on historical data. These estimates may not necessarily be indicative of future actual patterns.

Fair value of warrants

Estimating fair value for warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the life, volatility and dividend yield of the warrants.

The fair value of warrants is evaluated using the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the expected volatility of the warrants. The expected volatility is based on the historical volatility of the Company, over the period of the life of the warrants. These estimates may not necessarily be indicative of future actual patterns.

(Expressed in Canadian dollars unless otherwise noted)

5) JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates (continued)

Estimation of Decommissioning and Restoration Costs and the Timing of Expenditures

The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Mining tax credit receivable

The tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

Contingencies

See note 17.

6) CASH AND CASH EQUIVALENTS

		As at December 31, 2024		As at December 31, 2023
Cash	$	**14,040**	$	41,785
Fixed income securities		**76,593**		-
	$	**90,633**	$	41,785

(Expressed in Canadian dollars unless otherwise noted)

7) OTHER ASSETS

		As at December 31, 2024		As at December 31, 2023
Sales taxes recoverable	$	**29,824**	$	3,810
Due from related parties (note 19)		**5,547**		-
Prepaid expenses		**5,178**		5,178
Deposits		**-**		4,960
	$	**40,549**	$	13,948

8) INVESTMENTS

The short-term portion of investments of $18,480 as at December 31, 2024 (December 31, 2023 - $300,000) is comprised of marketable securities of a publicly traded mining exploration company, that are recorded at fair value using quoted market prices. During the year ended December 31, 2024, a certain portion of short-term investments was sold for proceeds of $128,284.

The long-term portion of investments of $266,667 as at December 31, 2024 (December 31, 2023 - $240,000) is comprised of common shares of a private mining exploration company, that does not have a quoted market price in an active market. The Company assessed the fair value of these shares based on the private company's most recent financing price of $0.10 (December 31, 2023 - $0.09) per common share.

9) EXPLORATION AND EVALUATION PROSPECTS

Exploration and evaluation expenditures

The following table is a breakdown of the exploration and evaluation expenditures incurred during the years ended December 31, 2024 and 2023:

		2024		2023
Geology	$	**180,000**	$	180,000
Licences and permits		**35,102**		26,630
Advance royalties (note 13)		**10,000**		10,000
Claim and claim maintenance		**396**		22,852
Other		**-**		37,504
Proceeds on sale of Uranium Portfolio		**-**		(522,000)
	$	**225,498**	$	(245,014)

9) EXPLORATION AND EVALUATION PROSPECTS (continued)

Pilbara Region – Western Australia

In 2017, the Company and Valroc made an application for various tenements in the Marble Bar and Nullagine areas of the Eastern Pilbara Region, Western Australia (Fortescue Basin). Granting of the Exploration Licences was completed in 2019.

In 2022, Valroc increased its property package with the addition of certain Exploration Licences, which were acquired 100% by staking. Valroc continued to add to its Mosquito Creek Basin ("MCB") properties by entering into an agreement to acquire certain Prospecting Licences (the "Tenements"). As consideration for the acquisition of the Tenements, the Company made a cash payment of AUD$15,000 ($13,452) to the vendor of the Tenements as a reimbursement of historical expenditures and issued 1.0 million shares in the capital of the Company fair valued at $45,000 based on the quoted market price of the Company's shares at the issue date.

In 2023, Valroc increased its property package with additional Exploration Licences acquired 100% by staking.

As of December 31, 2024, Valroc holds various tenements in the Eastern Pilbara and specifically within the MCB. There are no NSRs or other royalties attached to any of the various tenements.

Porcupine Miracle Project - Langmuir Township, Ontario

The Company owns a 100% interest in the Porcupine Miracle Project which comprises various claim cells located in Langmuir Township in the Province of Ontario, Canada. The Property is subject to an NSR royalty in favor of 2973090 Canada Inc, a company controlled by the President, CEO and Director, equal to 3% of net smelter returns. Advance royalty payments of $10,000 per annum are payable by the Company, which commenced on July 17, 2017; the advance royalty payments will be deducted from the amounts payable under the royalty. As at December 31, 2024, advance royalty payment of $20,000 remain outstanding.

9) EXPLORATION AND EVALUATION PROSPECTS (continued)

Sale of Uranium Projects in 2023

On October 4, 2023, the Company entered into an agreement with PTX Metals Inc. (formerly Platinex Inc.) (“PTX”) and Green Canada Corporation (“GCC”) (a wholly-owned unlisted subsidiary of PTX) to sell to GCC and PTX (the “Transaction”), a 100% undivided right, title and interest in and to the Company’s portfolio of exploration-stage uranium projects located in Canada (the “Uranium Portfolio”).

The Uranium Portfolio includes a 100% interest in the following projects:

- Beartooth Island Uranium Project, Athabasca Basin, Saskatchewan;
- Three large claim blocks in Elliot Lake, Ontario; and
- Matoush-Otish Mountain Project and Mistassini Project in Québec.

As consideration for the Uranium Portfolio, the Company received 7,500,000 common shares of PTX, fair valued at $300,000 based on the quoted market price of PTX at the time of the transaction and received 2,667,667 common shares of GCC fair valued at $240,000 based on the most recent financing price of GCC. The Company was also granted a 2.5% net smelter return royalties on Uranium Portfolio, which PTX and GCC would be able to repurchase 0.50% of the NSR for $500,000 per property.

The PTX shares and GCC shares are subject to additional hold periods and escrow conditions in addition to the statutory hold periods under applicable securities legislation.

The Company paid a finder’s fee to an independent arms-length third party consisting of 600,000 common shares of the Company, fair valued at $18,000 based on the quoted market price of the Company's shares at the time of issuance, and were subject to hold period and resale restrictions expiring on February 24, 2024. Consequently, in 2023, the Company recognized net proceeds of $522,000 on sale of the uranium projects, which has been offset in exploration and evaluation expenses.

(Expressed in Canadian dollars unless otherwise noted)

10) EQUITY

a) *Share Capital*

Authorized

Unlimited number of voting common shares without par value.

Issue share capital

The change in issued share capital for the year ended December 31, 2024 and 2023 was as follows:

	2024			2023		
	Number of shares		Stated Value	Number of shares		Stated Value
Outstanding, beginning of year	**51,161,798**	**$**	**5,103,332**	50,561,798	$	5,085,332
Issuance of units under a private placement	**6,100,000**		**239,325**	-		-
Issuance of shares on settlement of debt	**1,200,000**		**60,000**	-		-
Issuance of shares on exercise of incentive stock options	**2,159,444**		**187,857**	-		-
Issuance of shares on payment of finders' fees	**-**		**-**	600,000		18,000
Payment of finders' fees	**-**		**(4,569)**	-		-
Share issue expenses	**-**		**(23,219)**	-		-
Outstanding, end of year	**60,621,242**	**$**	**5,562,726**	51,161,798	$	5,103,332

2024 transaction on share capital

Closing of $305,000 Private Placement Financing

On April 4, 2024, the Company completed a non-brokered private placement offering (the "Offering") for gross proceeds of $305,000. The Company issued 6,100,000 Units under the Offering at a per Unit price of $0.05. Each Unit comprised of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, with each whole warrant entitling the purchase of one common share at a per share exercise price of $0.07 until April 4, 2026. Of the 6,100,000 Units, 1,480,000 Units were issued to related parties of the Company.

The related fair value method, using the Black Scholes options pricing model, was used to estimate the fair value of the 3,050,000 warrants with the following assumptions: an expected volatility of 129%, a risk-free interest rate of 4.19 %, a unit life of 2 years, exercise price of $0.07, no expected dividend yield and a share price at date of grant of $0.04. As a result, the warrants were valued at $65,675 and deducted from Share Capital and recorded as an increase of Warrants in the consolidated statement of changes in equity.

10) EQUITY (continued)

2024 transaction on share capital (continued)

Closing of $305,000 Private Placement Financing (continued)

In connection with the Offering, the Company paid cash finder's fees in the amount of $2,200 and issued 110,000 finder's warrants, fair valued at $2,369, exercisable at a price of $0.07 until April 4, 2026, to an arm's length finder. Share issue costs of $22,100 were incurred in connection with the Offering and were recorded as an offset to share capital and warrants, as share issuance costs.

Settlement of Debt

On April 4, 2024, the Company issued 1,200,000 common shares in settlement of an aggregate of $60,000 in accrued debt owing to key management personnel of the Company. Share issue costs of $6,325 were incurred and were recorded as an offset to share capital, as share issuance costs. In addition, as part of the debt settlement, key management personnel of the Company also forgave an additional $45,000 owed for consulting services rendered to the Company.

Issuance of shares on exercise of incentive stock options

For the year ended December 31, 2024, the Company issued 2,159,444 of its common shares for a total consideration of $102,425 from the exercise of 1,050,000 incentive stock options at price of $0.05 per share and 1,109,444 incentive stock options at a price of $0.05 per share. The share price at the time of exercise was $0.05 per share.

2023 transaction on share capital

Issuance of shares on sale of uranium projects

As described in note 9, the Company paid a finder's fee to an independent arms-length third party consisting of 600,000 common shares of the Company, fair valued at $18,000 based on the quoted market price of the Company's shares at the issue date, on sale of the uranium projects.

(Expressed in Canadian dollars unless otherwise noted)

10) EQUITY (continued)

Share-based payments

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the TSX Venture Exchange (the "Exchange"); if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

A summary of changes in the number of incentive stock option for the year ended December 31, 2024 and 2023 is presented as follows:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	**2,615,312**	**$ 0.12**	2,615,312	$ 0.12
Granted	**3,320,000**	**0.05**	-	-
Exercised	**(2,159,444)**	**(0.05)**	-	-
Expired	**(440,312)**	**(0.16)**	-	-
Outstanding, end of year	**3,335,556**	**$ 0.09**	2,615,312	$ 0.12
Exercisable, end of year	**3,335,556**	**$ 0.09**	2,615,312	$ 0.12

Incentive stock options granted in 2024

On October 18, 2024, the Company granted to officers, directors and consultants incentive stock options entitling the purchase of 3,320,000 common shares at an exercise price of $0.05 per share. The options are exercisable for a period of 5 years until October 18, 2029. The options vest immediately. The fair value of the stock options has been estimated on the date of issue at $107,681 using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.04; expected dividend yield: nil; expected volatility: 149.21%; risk-free interest rate: 2.88%; expected life: 5 years and exercise price of $0.05 at the date of grant.

(Expressed in Canadian dollars unless otherwise noted)

10) EQUITY (continued)

Share-based payments (continued)

The table below summarizes the information related to outstanding incentive stock options as at December 31, 2024:

Expiry date	Note	Number of stock options outstanding		Weighted Average Exercise price	Weighted Average remaining contractual life	Exercisable Options
June 26, 2025		365,000	$	0.115	0.48	365,000
July 10, 2027		265,000	$	0.050	2.52	265,000
December 12, 2027		495,000	$	0.265	2.95	495,000
October 18, 2029	19	2,210,556	$	0.050	4.80	2,210,556
		3,335,556	$	0.089	3.87	3,335,556

Warrants

A summary of changes in the number of share purchase warrants is presented as follows:

	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Number of warrants		**Weighted average exercise price**	Number of warrants		Weighted average exercise price
Outstanding, beginning of year	**7,692,499**	**$**	**0.13**	7,692,499	$	0.13
Granted	**3,160,000**		**0.07**	-		-
Expired	**(7,692,499)**		**(0.13)**	-		-
Outstanding, end of year	**3,160,000**	**$**	**0.07**	7,692,499	$	0.13

The table below summarizes the information related to outstanding warrants as at December 31, 2024:

Expiry Date		Exercise Price	Number of warrants outstanding	Weighted Average remaining contractual life
April 4, 2026	$	0.07	3,160,000	1.26

(Expressed in Canadian dollars unless otherwise noted)

11) (LOSS) EARNINGS PER SHARE

(Loss) earnings per share has been calculated using the weighted average number of common shares outstanding as follows:

		For the year ended December 31, 2024		2023
Net (loss) income for the year	$	**(633,986)**	$	12,764
Weighted average number of common shares - Basic		**56,643,691**		50,675,223
Dilutive effect of stock options/warrants		**-**		-
Weighted average number of common shares - Diluted		**56,643,691**		50,675,223
Basic (loss) earnings per share	$	**(0.011)**	$	0.000
Diluted (loss) earnings per share		**(0.011)**		0.000

For the year ended December 31, 2024, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they were considered to be anti-dilutive.

12) INCOME TAXES

Provision for income taxes

The relationship between the expected tax expense based on the combined income tax rate in Canada and the reported tax expense in the consolidated statement of comprehensive loss can be reconciled as follows:

		2024		2023
Net (loss) income before income taxes	**$**	**(633,986)**	$	12,764
Expected tax recovery calculated using the combined Federal and Provincial income tax rate in Canada of 26.50% (26.50% in 2023):		**(168,000)**		3,000
Tax benefits not recognized		**130,000**		427,000
Share-based payments		**29,000**		-
Non-deductible expenses and other		**9,000**		(430,000)
Deferred tax expense (recovery)	**$**	**-**	$	-

(Expressed in Canadian dollars unless otherwise noted)

12) INCOME TAXES (continued)

Deferred income taxes

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. As at December 31, 2024 and 2023, the Company has the following deferred tax assets (liabilities):

Recognized deferred tax assets and liabilities:

		2024		2023
Non-capital loss carry-forwards	$	**5,000**	$	-
Investments		**(5,000)**		-
Deferred income tax liability	**$**	**-**	**$**	**-**

Unrecognized deferred tax assets:

As at December 31, 2024 and 2023, deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

		2024		2023
Share issue expenses	$	**37,000**	$	36,000
Exploration and evaluation assets		**2,666,000**		2,982,000
Non-capital losses (Canada)		**2,853,000**		2,213,000
Non-capital losses (Australia)		**759,000**		740,000
Capital loss carryforward		**147,000**		-
	$	**6,462,000**	$	5,971,000

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered.

(Expressed in Canadian dollars unless otherwise noted)

12) INCOME TAXES (continued)

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the consolidated statements of financial position, that can be carried over the following years:

Year	Amount
2031	$ 97,000
2032	186,000
2033	62,000
2034	66,000
2035	61,000
2036	84,000
2037	297,000
2038	169,000
2039	158,000
2040	290,000
2041	508,000
2042	475,000
2043	213,000
2044	207,000
	$ 2,873,000

13) RELATED PARTY BALANCES AND TRANSACTIONS

a) Transactions with key management

Key management personnel of the Company comprise of the members of the Board of Directors, as well as the President and Chief Executive Officer, Vice President Exploration, and the Chief Financial Officer. The compensation paid to key management is presented below:

	For the year ended December 31, 2024	2023
Key senior management fees	$ 218,000	$ 216,000
Other fees	18,000	18,000
Royalty	10,000	10,000
	$ 246,000	$ 244,000

13) RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Key senior management fees

For the year ended December 31, 2024, consultant fees of $218,000 (2023 - $216,000) were paid to key management personnel of which $180,000 (2023 -$180,000) were recorded under exploration and evaluation expense, of $24,000 (2023 - $24,000) are recorded under Professional fees, and of $14,000 (2023 - $12,000) are recorded under Director fees in the consolidated statements of net (loss) income and comprehensive (loss) income.

On April 4, 2024, the Company issued 1,200,000 common shares in settlement of an aggregate of $60,000 in accrued debt owing to key management personnel of the Company. In addition, as part of the debt settlement, key management personnel of the Company also forgave an additional $45,000 owed for consulting services rendered to the Company. Furthermore, a director of the Company forgave fees of $12,000.

As at December 31, 2024, the Company had indebtedness of $22,764 (December 31, 2023 - $9,768) for geology expenses due to the President and CEO, which are included in due to related parties. The amounts are unsecured, non-interesting bearing and has no fixed terms of repayment. In addition, the Company has an amount of $5,547 receivable from key management personnel relating to exercise of incentive stock option.

Other fees

For the year ended December 31, 2024, the Company incurred fees of $18,000 (2023 - $18,000) with the spouse of the Company's director, as part of a consulting agreement for accounting services. These fees were recorded under General and administrative expenses in the consolidated statements of net (loss) income and comprehensive (loss) income. As at December 31, 2024 and 2023, the Company had no indebtedness to this individual.

Royalty

The Company owns a 100% interest in the Porcupine Miracle Project located in Langmuir Township in the Province of Ontario, Canada. The Property is subject to an NSR royalty in favor of 2973090 Canada Inc, a company controlled by the President, CEO and Director, equal to 3% of net smelter returns. Advance royalty payments of $10,000 per annum are payable by the Company, which commenced in 2017; the advance royalty payments will be deducted from the amounts payable under the royalty. As at December 31, 2024, advance royalty payment of $20,000 (2023 - $10,000) remain outstanding, which is included in due to related parties.

(Expressed in Canadian dollars unless otherwise noted)

13) RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Cost Sharing Arrangement

Effective July 1, 2022, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Val-d'Or Mining, pursuant to which Val-d'Or Mining will provide certain management and financial services such as office space and administrative support relating to the exploration offices located in Val-d'Or, Québec, in consideration of $7,256 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis.

Effective January 1, 2023, the Sharing Arrangement was converted into a rental arrangement whereby the Company pays a rental fee of $1,000 per month. For the year ended December 31, 2023, the Company incurred rent to Val-d'Or Mining in the amount of $12,000.

Effective January 1, 2024, the rental arrangement with Val-d'Or Mining was amended whereby the Company pays a rental fee of $3,000 per annum (2023 - $12,000 per annum). For the year ended December 31, 2024, the Company incurred rent to Val-d'Or Mining in the amount of $3,000 (2023 - $12,000). As at December 31, 2024, the Company had indebtedness of $6,124 (2023- $6,899) due to Val-d'Or Mining, which is included in due to related parties.

14) FINANCIAL ASSETS AND LIABILITIES

Categories of financial assets and liabilities

The carrying amounts and fair values of financial instruments presented in the consolidated statements of financial position are as follows:

		As at December 31, 2024			As at December 31, 2023		
Financial assets		Carrying amount	Fair value		Carrying amount		Fair value
Cash and cash equivalents	$	90,633	90,633	$	41,785		41,785
Investments		285,147	285,147		540,000		540,000
	$	375,780	$ 375,780	$	581,785	$	581,785

(Expressed in Canadian dollars unless otherwise noted)

14) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities (continued)

	As at December 31, 2024		As at December 31, 2023	
Financial liabilities	Carrying amount	Fair value	Carrying amount	Fair value
Accounts payable and accrued liabilities	$ 44,696	$ 44,696	$ 54,363	$ 54,363
Due to related parties	48,888	48,888	134,667	134,667
	$ 93,584	$ 93,584	$ 189,030	$ 189,030

The carrying value of cash and cash equivalents, due to related parties and accounts payable and accrued liabilities is considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. Financial assets and liabilities measured at amortized cost for which a fair value is provided in the consolidated statements of financial position are presented in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

The level within which the financial asset or liability is classified is determined based on the lowest levels of significant input to the fair value measurement. There have been no significant transfers between Level 1, 2 and 3 in the reporting periods. The techniques and evaluation methods used to measure fair value have not changed compared to previous years.

(Expressed in Canadian dollars unless otherwise noted)

14) FINANCIAL ASSETS AND LIABILITIES (continued)

Categories of financial assets and liabilities (continued)

The following table illustrates the classification and hierarchy of the Company's financial instruments, measured at fair value in the consolidated statements of financial position as at December 31, 2024 and 2023.

December 31, 2024	Level 1	Level 2	Level 3	Total
Short-term investments	$ 18,480	-	$ -	$ 18,480
Long-term investments	-	-	266,667	266,667
	$ 18,480	$ -	$ 266,667	$ 285,147

December 31, 2023	Level 1	Level 2	Level 3	Total
Short-term investments	$ 300,000	-	$ -	$ 300,000
Long-term investments	-	-	240,000	240,000
	$ 300,000	$ -	$ 240,000	$ 540,000

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at December 31, 2024.

December 31, 2024	Fair value	Valuation Technique	Significant Unobservable Input(s)
Green Canada Corporation (note 8)	$ 266,667	Recent financing	Marketability of shares

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

14) FINANCIAL ASSETS AND LIABILITIES (continued)

As at December 31, 2024, a +/- 10% change in the fair value of GCC will result in a corresponding +/- $26,667 change in the carrying amount. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

15) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives in managing capital are to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production either with partners or by the Company's own means or sale. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in note 10 and in the consolidated statement of changes in equity. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

16) FINANCIAL RISKS

The Company is exposed to various financial risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk. The Company focuses on actively securing short to medium-term cash flow by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes. The Company's main financial risk exposure and its financial risk management policies are as follows:

16) FINANCIAL RISKS (continued)

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and cash equivalents of $90,633 as at December 31, 2024 (December 31, 2023 - $41,785). The risk related to cash and cash equivalents is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has potential financing sources. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations. Accounts payable and accrued liabilities are due within less than 90 days.

17) COMMITMENTS AND CONTINGENCIES

Exploration expenditure commitment

In order to maintain the Company's interest in mining tenements in Australia, the Company is committed to meet the annual minimum expenditure of approximately $221,000 (or AUD$248,000) under which the tenements were granted.

Advance royalty payments

Advance royalty payments of $10,000 per annum is payable by the Company (note 9).

Consulting fee commitments

The Company is party to certain management contracts and severance obligations. Minimum commitments under these contracts due within one year are $222,000.

Environmental contingencies

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

18) ADDITIONAL CASH FLOW INFORMATION

The following significant non-cash transactions have been excluded from the Consolidated Statements of Cash Flows:

	For the year ended December 31	
	2024	2023
Issuance of warrants on payment of finders' fees	**$ 2,369**	$ -
Issuance of shares on payment of finders' fees	**-**	18,000