Cartier Resources Inc.

(an exploration company)

Financial statements

Years ended December 31, 2024 and 2023

KPMG LLP
Tour KPMG
600, de Maisonneuve Blvd West, Suite 1500
Montréal, QC H3A 0A3
Canada
Telephone 514 840 2100
Fax 514 840 2187

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cartier Resources Inc.

Opinion

We have audited the financial statements of Cartier Resources Inc. (the “Entity”), which comprise:

- the statements of financial position as at December 31, 2024 and 2023
- the statements of loss and comprehensive loss for the years then ended
- the statements of changes in equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity is still in the exploration stage and, as such, no revenue has yet been generated from its operating activities. Accordingly, the Entity depends on its ability to raise financing in order to discharge its commitments and liabilities in the normal course of business.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. 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.

In addition to the matter described in the **"*Material Uncertainty Related to Going Concern*"** section of the auditor’s report, we have determined the matter described below to be the key audit matter to be communicated in our auditor’s report.

Evaluation of Indicators of Impairment for Mining Assets and Deferred Exploration Costs

Description of the matter

We draw attention to Notes 2.3, 2.7, 2.11 and 8 of the financial statements. The Entity has mining assets of $8,143,417 and deferred exploration costs of $27,206,703. The carrying amounts of mining assets and deferred exploration costs are assessed by the Entity for impairment when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have expired or will expire in the near future
- No significant future exploration expenditures are foreseen
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale

The Entity completes an evaluation at each reporting period of potential impairment indicators. If any such indicator exists, then the asset's recoverable amount is estimated.

Why the matter is a key audit matter

We identified the evaluation of indicators of impairment for mining assets and deferred exploration costs as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of mining assets and deferred exploration costs. This matter was of most significance due to the difficulties in evaluating the results of our audit procedures to assess the Entity's determination of whether the factors, individually and in the aggregate, resulted in indicators of impairment.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following.

We evaluated the Entity's impairment indicators analysis and considered whether it was consistent with information obtained in other areas of the audit by:

- Assessing the status of the Entity's exploration rights through discussions with management and inspection of available correspondence with government authorities, to identify if any rights could be lost or not renewed by the Entity or by the government authorities.
- Evaluating whether future exploration expenditures are planned by the Entity and whether exploration and evaluation activities will be discontinued by:
  - Inspecting budgeted expenditures for the upcoming year and by considering the available cash flows, including the financing closed subsequent to year-end, to meet these budgeted expenditures.
  - Reading the Entity's internal and external communications and publicly available market information, such as meeting minutes, Entity's technical reports, press releases, management's discussion and analysis and commodity market prices.
  - Evaluating the Entity's ability to accurately budget the exploration expenditures by comparing the Entity's prior year budgeted exploration expenditures to the actual exploration expenditures incurred.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at 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 in the auditor's report.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.

- 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.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with those charged with governance, 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 auditor's 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 auditor's report is Marc-André Fontaine.

KPMG LLP*

Montréal, Canada

April 24, 2025

*CPA auditor, public accountancy permit No. A131804

Cartier Resources Inc.

(an exploration company)

Statements of financial position

(In Canadian dollars)

	December 31, 2024	December 31, 2023
	$	$
Assets		
Current		
Cash (note 4)	**1,228,177**	4,739,698
Other short-term financial assets (note 5)	**144,600**	110,200
Receivables (note 6)	**973,779**	287,015
Prepaid expenses	**21,467**	41,091
	2,368,023	5,178,004
Non-current		
Property, plant and equipment	**10,751**	14,778
Right-of-use assets (note 7)	**82,089**	117,768
Mining assets and deferred exploration costs (note 8)	**35,350,120**	41,952,741
TOTAL ASSETS	**37,810,983**	47,263,291
Liabilities		
Current		
Accounts payable and accrued liabilities	**162,466**	161,523
Current portion of lease obligations (note 9)	**36,201**	35,662
Liability related to flow-through shares (note 16)	**346,154**	147,749
	544,821	344,934
Non-current		
Lease obligations (note 9)	**46,803**	83,004
Deferred income and mining taxes (note 15)	**3,756,043**	4,716,948
TOTAL LIABILITIES	**4,347,667**	5,144,886
Equity		
Share capital and warrants (note 10)	**60,556,122**	59,443,625
Contributed surplus	**4,468,031**	4,100,303
Deficit	**(31,406,293)**	(21,264,579)
Accumulated other comprehensive loss	**(154,544)**	(160,944)
TOTAL EQUITY	**33,463,316**	42,118,405
TOTAL LIABILITIES AND EQUITY	**37,810,983**	47,263,291

Basis of preparation and going concern (note 1)
Contingencies and commitments (note 16)
Subsequent event (note 20)

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

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director

(Signed) Alain Laplante, Director

Cartier Resources Inc.

(an exploration company)

Statements of changes in equity

(In Canadian dollars)

	Number of shares	Share capital and warrants	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total equity
		$	$	$	$	$
BALANCE AS AT DECEMBER 31, 2023	**351,800,077**	**59,443,625**	**4,100,303**	**(21,264,579)**	**(160,944)**	**42,118,405**
Net loss for the year	**-**	**-**	**-**	**(10,141,714)**	**-**	**(10,141,714)**
Other comprehensive loss	**-**	**-**	**-**	**-**	**6,400**	**6,400**
Total comprehensive loss	**-**	**-**	**-**	**(10,141,714)**	**6,400**	**(10,135,314)**
Issuance of shares net of issue costs (note 10)	**12,811,010**	**1,112,497**	**-**	**-**	**-**	**1,112,497**
Share-based payments (note 10)	**-**	**-**	**367,728**	**-**	**-**	**367,728**
BALANCE AS AT DECEMBER 31, 2024	**364,611,087**	**60,556,122**	**4,468,031**	**(31,406,293)**	**(154,544)**	**33,463,316**
BALANCE AS AT DECEMBER 31, 2022	314,820,044	55,572,843	3,818,810	(19,876,668)	(8,344)	39,506,641
Net loss for the year	-	-	-	(1,387,911)	-	(1,387,911)
Other comprehensive loss	-	-	-	-	(152,600)	(152,600)
Total comprehensive loss	-	-	-	(1,387,911)	(152,600)	(1,540,511)
Issuance of shares net of issue costs (note 10)	36,980,033	3,870,782	-	-	-	3,870,782
Share-based payments (note 10)	-	-	281,493	-	-	281,493
BALANCE AS AT DECEMBER 31, 2023	351,800,077	59,443,625	4,100,303	(21,264,579)	(160,944)	42,118,405

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

Cartier Resources Inc.

(an exploration company)

Statements of loss and comprehensive loss

Years ended December 31

(In Canadian dollars)

	2024	2023
	$	$
Administrative expenses		
Salaries (note 11)	**582,594**	552,478
Consultants	**1,723**	1,387
Share-based payments (note 10)	**287,999**	227,252
Professional fees	**131,422**	100,174
Business development expenditures (analysts and brokers)	**143,897**	378,463
Road shows and gold shows	**29,156**	100,292
Investor relations	**64,843**	163,010
Insurance, taxes and permits	**27,650**	27,272
Depreciation of property, plant and equipment	**3,243**	3,071
Depreciation of right-of-use assets	**21,097**	19,668
Loss on disposal of property, plant and equipment	**1,136**	-
Office supplies	**39,045**	65,392
Telecommunications	**6,068**	5,487
Training and travel	**18,504**	11,787
Advertising and sponsoring	**7,027**	10,868
Information to shareholders	**42,719**	40,485
Part XII.6 tax related to flow-through shares	**44,863**	6,215
	1,452,986	1,713,301
Other expenses (income)		
Sale of property option (note 8 (a))	**(28,000)**	(94,000)
Write-down of mining assets and deferred exploration costs (note 8)	**9,921,411**	-
Other exploration costs	**2,176**	7,355
Financial expenses (note 12)	**6,322**	7,303
Interest income	**(99,064)**	(140,583)
Loss before deferred income and mining taxes	**(11,255,831)**	(1,493,376)
Deferred income and mining taxes (note 15)	**(1,114,117)**	(105,465)
Net loss for the year attributable to shareholders	**(10,141,714)**	(1,387,911)
Change in fair value of other short-term financial assets (note 5)	**6,400**	(152,600)
Comprehensive loss for the year attributable to shareholders	**(10,135,314)**	(1,540,511)
Loss per share basic and diluted	**(0.03)**	(0.00)
Weighted average number of common shares outstanding basic and diluted	**354,519,268**	323,646,370

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

Cartier Resources Inc.

(an exploration company)

Statements of cash flows

Years ended December 31

(In Canadian dollars)

	2024	2023
	$	$
OPERATING ACTIVITIES		
Net loss	**(10,141,714)**	(1,387,911)
Adjustments for:		
Deferred income and mining taxes (note 15)	**(1,114,117)**	(105,465)
Share-based payments (note 10)	**287,999**	227,252
Sale of property option (note 8 (a))	**(28,000)**	(94,000)
Write-down of mining assets and deferred exploration costs (note 8)	**9,921,411**	-
Interest on lease obligations	**1,062**	491
Depreciation of property, plant and equipment	**3,243**	3,071
Depreciation of right-of-use assets	**21,097**	19,668
Loss on disposal of property, plant and equipment	**1,136**	-
Interest paid on lease obligations capitalized as mining assets and deferred exploration costs (note 9)	**(2,255)**	(1,050)
Interest income	**(99,064)**	(140,583)
Interest received	**99,064**	140,583
	(1,050,138)	(1,337,944)
Net change in non-cash working capital items		
Receivables	**(162,301)**	291,986
Prepaid expenses	**19,624**	31,923
Accounts payables and accrued liabilities	**(9,417)**	(61,259)
Cash flows used in operating activities	**(1,202,232)**	(1,075,294)
FINANCING ACTIVITIES		
Proceeds from shares and warrants issuance (note 10)	**1,487,432**	4,260,700
Shares issue expenses (note 10)	**(21,985)**	(88,151)
Loan	**-**	(40,000)
Payments on lease obligations (note 9)	**(35,662)**	(36,030)
Cash flows from financing activities	**1,429,785**	4,096,519
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(2,210)**	(962)
Tax credits received	**266,137**	10,328
Acquisition of mining assets and deferred exploration costs (note 8)	**(4,003,001)**	(5,264,408)
Cash flows used in investing activities	**(3,739,074)**	(5,255,042)
Net change in cash	**(3,511,521)**	(2,233,817)
Cash at the beginning of the year	**4,739,698**	6,973,515
Cash at the end of the year	**1,228,177**	4,739,698

Additional information (note 13)

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

Incorporation and nature of operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec *Companies Act* on July 17, 2006, has been governed by the *Business Corporations Act* (Québec) since February 14, 2011. The head office is at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities primarily include the acquisition and exploration of mining properties in Canada.

The Company has not yet determined whether these properties contain economically recoverable ore reserves. Although, at the current stage of the exploration work, the Company is taking all industry standard measures to ensure that the mining property titles in which it has a financial interest are in good standing, these measures in place do not guarantee property titles to the Company. Property titles may be subject to prior unregistered agreements or non-compliance with regulatory requirements.

The recoverability of amounts reported for mining properties and deferred exploration expenses is dependent on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production, or the proceeds of the transfer of such property. At the date of the financial statements, the carrying value of mining properties and deferred exploration expenses represents, in management's opinion, the best estimate of their net recoverable value. This value could however be reduced in the future.

On April 24, 2025, the Company's Board of Directors approved these annual financial statements.

1. Basis of preparation and going concern

Cartier Resources Inc. Is an exploration companies with activities in Canada.

These financial statements were prepared on a going concern basis, using historical costs method, except for "Other short-term financial assets" which are measured at fair value and equity classified share-based payment arrangements which are measured at fair value at grant date pursuant to IFRS 2, Share-based payment.

The financial statements have been prepared on a going concern basis, meaning that the Company will be able to realize its assets and discharge its commitments and liabilities in the normal course of operations. To date, the Company has not earned revenues and is in the exploration and development stage. The Company has incurred a net loss and negative cash flow from operations of $10,141,714 and $1,202,232, respectively, during the year ended December 31, 2024, and has a deficit of $31,406,293 as at December 31, 2024. The Company's ability to continue as a going concern depends on its ability to to obtain the necessary financing to complete exploration and development, and its ability to realize future profitable production or proceeds from the disposition thereof. While it has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. Management expects that the working capital (current assets less current liabilities) available to the Company, combined with the financing completed on April 23, 2025 (see note 20), will provide the Company with adequate funding to cover its budgeted general administrative expenses and to meet its short-term obligations for the next 12 months. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties is dependent on a number of factors outside the Company's control, including the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and future profitable production or proceeds from the disposal of properties. The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material.

2. Material accounting policies

2.1 Overall considerations

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The materiel accounting policies that have been applied in the preparation of these financial statements are summarized below.

2.2 Share-based compensation

The Company has a stock option plan under which it may grant options to directors, officers, employees and consultants to acquire common shares of the Company. This plan does not include a cash settlement feature.

When an employee is compensated by means of share-based payments, the fair value of the options granted is measured at the date of grant using the Black-Scholes valuation model. Share-based compensation is recorded as an expense or as exploration costs, with the counterpart as an increase in "contributed surplus".

Where vesting periods or conditions apply, the expense is allocated over the vesting period on the basis of the best available estimate of the number of stock options expected to vest. Estimates are then revised at the end of each reporting period, or when there are indications that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustments prior to vesting are recognized in the current period. No adjustment is made to expenses recognized in prior periods if the number of stock options ultimately exercised differs from that expected at vesting.

When a stock option is exercised, the amounts received are credited to share capital. The fair value of each option is reversed from contributed surplus to share capital.

2.3 Mining assets and deferred exploration costs

The Company records its mining assets, including wholly-owned mining properties, undivided interests in mining properties and deferred exploration costs, at cost less certain recoveries.

Exploration costs are capitalized on the basis of each specific mining property or areas of geological interest until the mining assets to which they relate are placed into production, sold or allowed to lapse.

These costs will be amortized over the estimated useful life of the mining assets following commencement of production or written off if the mining assets or projects are sold or allowed to lapse.

General exploration costs not related to specific mining assets are expensed in the statement of loss and comprehensive loss as incurred.

The recoverability of the amounts recorded under mining assets and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing needed to complete development, and future profitable production or proceeds from the disposal of these properties. The amounts shown for mining properties and deferred exploration costs are not necessarily indicative of present or future values.

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

2. Material accounting policies (continued)

2.3 Mining assets and deferred exploration costs (continued)

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, and the expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets. Expenses related to exploration and evaluation 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. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less tax credits related to these expenses and any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable or is abandoned, the capitalized amounts are written down to their recoverable amounts and the difference is then immediately recognized in net loss.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property, plant and equipment in "Mining assets under construction". Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

At present, no technical feasibility or commercial viability of extracting a mineral resource has been confirmed.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with an option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the considerations received directly from the acquirer are credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets or the sale of a written-off property option in profit or loss.

2.4 Credit on duties refundable and refundable tax credit for resources

The Company is entitled to a credit on duties refundable under the *Mining Duties Act*. This credit on duties refundable on exploration costs incurred in the Province of Quebec is recognized as a tax recovery on income. In accordance with IAS 12, *Income Taxes*, the credits on duties are applied against the deferred income taxes in the statement of financial position when the Company expects to continue holding the mining property once ready for production.

Furthermore, the Company is entitled to a refundable tax credit for resources for mining companies on qualified expenditures incurred. The refundable tax credit for resources may reach 28% of qualified expenditures incurred. In accordance with IAS 20, A*ccounting for Government Grants and Disclosure of Government Assistance*, this tax credit is accounted against the qualified expenditures.

2. Material accounting policies (continued)

2.5 Income and mining taxes

The income and mining tax expense is composed of current and deferred taxes. Taxes are recognized in the statement of loss unless they relate to items carried in other comprehensive income or directly in shareholders' equity.

Current income taxes and mining taxes

Current income tax and mining tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods that are unpaid at the reporting date. The current income tax expense is based on the income for the period adjusted for non-taxable or non-deductible items. The mining tax expense is based on the income for the period for each mining site under production adjusted for non-taxable or non-deductible items. Calculation of current income tax and mining taxes is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management regularly examines positions in tax returns where tax regulations are subject to interpretation.

Deferred income taxes and deferred mining taxes

Deferred income taxes are recognized in respect of temporary differences between the tax basis of the assets and liabilities and their carrying amount in the statements of financial position. Deferred income tax assets and liabilities are calculated, on an undiscounted basis, 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.

2.6 Cash reserved for exploration

The Company raises flow-through funds for exploration under subscription agreements which require the Company to incur prescribed resource expenditures. These funds must be used for qualifying exploration expenditures for a pre-determined period. If the Company does not incur the resource expenditures, within a pre-determined timeframe, then it will be required to indemnify these shareholders for any tax and other costs payable by them.

2.7 Impairment of long-lived assets

Non-financial assets

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment.

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment at the end of each reporting period or when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have expired or will expire in the near future and it is not expected that they will be renewed;
- No future substantive exploration expenditures are budgeted;
- No commercially viable quantities discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

At each reporting date, the entity performs an assessment of potential indicators of impairment. If such an indicator exists, the recoverable amount of the asset is estimated.

2. Material accounting policies (continued)

2.7. Impairment of long-lived assets (continued)

Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use, that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The level identified by the Company for the purposes of testing exploration and evaluation assets for impairment corresponds to each mining property.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer of exploration and evaluation assets to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8. Equity

Share capital represents the amount received on issue of shares less issue costs, net of any income tax benefit underlying these issue costs.

Unit placements

The Company has simplified the presentation of equity by aggregating the line items representing warrants ($443,800 as at December 31, 2023) and common shares ($58,999,825 as at December 31, 2023) into a single line item as it better represents the proceeds of financing raised.

Flow-through financing

Canadian tax law allows a company to issue investment securities to investors for whom tax deductions for exploration expenses may be claimed by investors and not by the Company. These securities are called flow-through shares. The Company finances a portion of its exploration programs through the issuance of flow-through shares. On the issue date of the shares, the Company allocates the issue proceeds between the share capital and the obligation to remit tax deductions, which is recognized as a flow-through share liability. The Company estimates the fair value of the flow-through share liability using the residual method, deducting the market price of a common share at the price of a flow-through share on the closing date of the financing. A corporation may waive tax deductions based on what is known as the "general method" or the "retrospective method". When the waiver of tax deductions is made according to the general method, which the Company intends to make the waiver and capitalizes the expenses in the current year, then the Company records a deferred tax liability, with an expense of deferred tax. At this point, the obligation is reduced, with a tax recovery as a counterpart. When tax deductions are retrospectively waived, the Company records a deferred tax liability, with a deferred tax expense when the expenditures are made and capitalized. At this point, the obligation is reduced to zero, with a tax recovery as consideration. The Company uses the general method.

2.8. Equity (continued)

Warrants

Warrants are classified as equity as they are derivatives over the Company's own equity that will be settled only by the Company exchanging a fixed amount of cash for a fixed number of the Company's own equity instruments.

2.9. Presentation and functional currency

The financial statements are presented in Canadian dollars, the functional currency of the Company.

2.10. Financial instruments

Classification and valuation of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.
The Company made the irrevocable election to designate its investment in marketable securities as financial assets measured at FVOCI. As a result, changes in fair value will be recorded in other comprehensive income. When the financial asset will be derecognized, the accumulated gains and losses previously recognized in other comprehensive income will not be reclassified to net income as a reclassification adjustment.

2. Material accounting policies (continued)

2.10. Financial instruments (continued)

Classification and measurement of financial liabilities

Financial liabilities are classified into the following categories:

A financial liability is subsequently measured at amortized cost using the effective interest rate method. The Company currently classifies its trade and other payables as financial liabilities measured at amortized cost.

Financial liabilities at fair value are initially measured at their fair value and are revalued at each closing date, any variation being recognized in net income.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset, and the net balance is presented in the statements of financial position, if and only if the Company has an established right to offset the amounts recognized and if it intends either to settle the net amount, or realize the asset and settle the liability simultaneously.

The following table summarizes the classification of different financial assets and liabilities.

Asset/Liability	Classification under IFRS 9
Cash	Amortized cost
Other short-term financial assets	Fair value through other comprehensive income
Accounts payable and accrued liabilities	Amortized cost

2.11. Accounting estimates and critical judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, in particular, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and will seldom equal the estimated results.

The following paragraphs describe the judgments in applying accounting policies.

Critical judgments:

Impairment of assets
An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable value. Management regulary reviews the impairment assessment of its mining assets and deferred exploration costs. Each year, the Company performs an assessment of potential indicators of impairment. If there is such an indicator, the recoverable amount of the asset is estimated (note 2.10).

Income taxes and deferred mining taxes
The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in interpreting and applying 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.

(In Canadian $)

3. Standards and new or revised interpretations

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these 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 provides that all new accounting pronouncements will be adopted in the Company's accounting policies during the first period following the effective date of each pronouncement. New standards, amendments and interpretations that have not been adopted in the current year have not been presented, with the exception of IFRS 18, as they are not expected to have a material impact on the Company's financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of newly defined management-defined performance measures in a single note, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest.

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transition provisions.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

4. Cash

As at December 31, 2024 and 2023, cash included an account bearing interest and an account without interest, as shown below:

	December 31, 2024		December 31, 2023	
	$	**Interest rate**	$	Interest rate
Account bearing interest	**62,701**	**3.05%-4.55%**	4,535,725	4.05%-4.30%
Account without interest	**1,165,476**	**-**	203,973	-
Total	**1,228,177**		4,739,698	

Cash includes $1,000,000 ($3,106,820 as at December 31, 2023) of funds to be incurred in eligible exploration expenses before December 31, 2025.

(In Canadian $)

5. Other short-term financial assets

Marketable securities of a quoted mining exploration company, at fair value through other comprehensive loss.

	December 31, 2024	December 31, 2023
	$	$
Balance at the beginning of the year	**110,200**	40,800
Additions (note 8)	**28,000**	222,000
Change of value	**6,400**	(152,600)
Balance at the end of the year	**144,600**	110,200

6. Receivables

	December 31, 2024	December 31, 2023
	$	$
Credit on mining rights refundable and refundable tax credit for resources	**782,637**	258,174
Commodity taxes	**191,142**	28,841
	973,779	287,015

7. Right-of-use assets

	Building
	$
Balance as at December 31, 2022	**41,578**
Depreciation	**(33,262)**
Addition	**109,452**
Balance as at December 31, 2023	**117,768**
Depreciation	**(35,679)**
Balance as at December 31, 2024	**82,089**

(In Canadian $)

8. Mining assets and deferred exploration costs

	Cadillac (formerly Chimo Mine)	Wilson (b)	Benoist (1)	Fenton	Total
Ownership interest	100%	100%	100%	100%	
	$	$	$	$	$
Mining assets					
Balance as at December 31, 2023	7,346,773	72,000	737,723	724,644	8,881,140
Write-down	-	-	(737,723)	-	(737,723)
Balance as at December 31, 2024	**7,346,773**	**72,000**	**-**	**724,644**	**8,143,417**
Deferred exploration costs					
Balance as at December 31, 2023	21,305,180	495,112	9,183,554	2,087,755	33,071,601
Additions					
Geology	396,181	2,342	-	3,297	401,820
Drilling	3,099,013	-	-	-	3,099,013
Geochemistry	279,569	-	-	-	279,569
Exploration office expenses	10,171	-	-	-	10,171
Surveying and access roads	208,703	-	-	-	208,703
Core shack rental and maintenance	235	-	-	-	235
Duties, taxes and permits	6,222	562	134	135	7,053
Depreciation of exploration leasehold improvements	1,859	-	-	-	1,859
Depreciation of right-of-use assets	14,582	-	-	-	14,582
Interest on lease obligations	1,193	-	-	-	1,193
Share-based payments (note 10)	79,729	-	-	-	79,729
Total deferred exploration costs	4,097,457	2,904	134	3,432	4,103,927
Impairment of deferred exploration costs	-	-	(9,183,688)	-	(9,183,688)
	4,097,457	2,904	(9,183,554)	3,432	(5,079,761)
Tax credits	(785,137)	-	-	-	(785,137)
Additions during the year	3,312,320	2,904	(9,183,554)	3,432	(5,864,898)
Total deferred exploration costs as at December 31, 2024	**24,617,500**	**498,016**	**-**	**2,091,187**	**27,206,703**
Total mining asset and deferred exploration costs as at December 31, 2024	**31,964,273**	**570,016**	**-**	**2,815,831**	**35,350,120**

All mining properties held by the Company are located in northwestern Québec.

The Company is subject to royalties on certain properties.

(1) Following an analysis of the work carried out to evaluate the future potential of each of the Company's properties, the exploration work on Benoist property was delayed for an indefinite period due to the project's difficult and costly logistics and access. The property represents 73 mining titles. As a result, the portions of the property for these claims and the related exploration expenses were written down for $737,723 and $9,183,688.

(In Canadian $)

8. Mining assets and deferred exploration costs (continued)

	Cadillac (formerly Chimo Mine)	Wilson [(b)]	Benoist	Fenton	Total
Ownership interest	100%	100%	100%	100%	
	$	$	$	$	$
Mining assets					
Balance as at December 31, 2023 and 2022	**7,346,773**	**72,000**	**737,723**	**724,644**	**8,881,140**
Deferred exploration costs					
Balance as at December 31, 2022	16,856,730	622,857	9,181,135	2,087,368	28,748,090
Additions					
Geology	400,747	-	-	-	400,747
Drilling	3,614,132	-	-	-	3,614,132
Geochemistry	200,507	-	-	-	200,507
Exploration office expenses	8,501	-	-	-	8,501
Surveying and access roads	18,742	-	-	-	18,742
Core shack rental and maintenance	4,197	-	-	-	4,197
Duties, taxes and permits	362,538	255	2,419	387	365,599
Depreciation of exploration leasehold improvements	2,352	-	-	-	2,352
Depreciation of right-of-use assets	13,594	-	-	-	13,594
Interest on lease obligations	559	-	-	-	559
Share-based payments (note 10)	54,241	-	-	-	54,241
Option sale on properties (note 8 (b))	-	(128,000)	-	-	(128,000)
Total deferred exploration costs	4,680,110	(127,745)	2,419	387	4,555,171
Tax credits	(231,660)	-	-	-	(231,660)
Additions during the year	4,448,450	(127,745)	2,419	387	4,323,511
Total deferred exploration costs as at December 31, 2023	**21,305,180**	**495,112**	**9,183,554**	**2,087,755**	**33,071,601**
Total mining asset and deferred exploration costs as at December 31, 2023	**28,651,953**	**567,112**	**9,921,277**	**2,812,399**	**41,952,741**

All mining properties held by the Company are located in northwestern Québec.

The Company is subject to royalties on certain properties.

(a) On May 12, 2021, an option agreement with Delta Resources Limited ("Delta") was signed, Delta has the option to acquire 100% of the interests of the Dollier property, located 30 km south of the municipality of Chibougamau. During the four years option period, Delta will have the exclusive right to acquire 100% interest by issuing the Company a total of 600,000 common shares of Delta and incurring expenses of at least $1,000,000 on the Dollier property.

Upon signing of the agreement, the Company received $10,000 in cash and 100,000 common shares of Delta with a fair value of $42,000. All the shares issued to the Company, within the framework of the agreement, will be subject to a statutory holding period of four months. In the event Delta acquires a 100% interest in the Dollier property, the Company will retain a production royalty of 2% NSR on the Dollier property, of which 1% will be redeemable for an amount of $2,000,000 and the other 1% will be redeemable, by Delta, for an amount of $15,000,000.

8. Mining assets and deferred exploration costs (continued)

(a) On the first anniversary date, May 25, 2022, the Company received 100,000 common shares of Delta with a fair value of $11,000. This amount was recorded in the statements of loss and comprehensive loss as the sale of a written-off property option during the year ended December 31, 2022.

On the second anniversary date, May 26, 2023, the Company received 200,000 common shares of Delta with a fair value of $94,000. This amount was recorded in the statements of loss and comprehensive loss as the sale of a written-off property option during the year ended December 31, 2023.

On the third anniversary date, May 27, 2024, the Company received 200,000 common shares of Delta with a fair value of $28,000. This amount was recorded in the statements of loss as the sale of a written-off property option during the year closed December 31, 2024.

The property Dollier was written off during the year ended December 31, 2015.

(b) On April 26, 2021, an option agreement with Earthwise Minerals Corp. ("Earthwise") was signed, Earthwise has the option to acquire 100% of the interests of the Wilson property, located 15 km east of the municipality of Lebel-sur-Quévillon. During the five-years option period, Earthwise will have the exclusive right to acquire 100% interest by paying the Company an amount totaling $1,000,000 in cash, issuing to the Company a total of 5,000,000 common shares of Earthwise, incurring expenses of at least $6,000,000 and completing at least 24,000 m of diamond drilling on the Wilson property.
Upon signing of the agreement, the Company received an amount of $200,000 in cash and 700,000 common shares of Earthwise with a fair value of $91,000. The amount of $291,000 has been recorded as a reduction of the cost of the asset during the year ended December 31, 2021.

On the first anniversary date, April 22, 2022, the Company received an amount totalling $150,000 in cash and 700,000 common shares of Earthwise with a fair value of $31,500. The amount of $181,500 was recorded as a reduction of the cost of the asset during the year ended December 31, 2022.

On the second anniversary date, May 4, 2023, the Company received 1,600,000 common shares for a fair value of $128,000. The amount was recorded as a reduction of the cost of the asset during the year ended December 31, 2023.

As at December 31, 2024, the Company owns 1,740,000 common shares, representing approximately 14.61% of the issued and outstanding common shares of Earthwise on a non-diluted basis.

During the year ended December 31, 2024, the agreement with Earthwise has been terminated by the Company because Earthwise failed to comply with the terms of the agreement.

(In Canadian $)

9. Lease obligations

	December 31, 2024	December 31, 2023
Lease obligations included in the statement of financial position	**$**	$
Balance at the beginning of the year	**118,666**	45,244
Addition	**-**	109,452
Interests	**2,255**	1,050
Payments	**(37,917)**	(37,080)
Balance at the end of the year	**83,004**	118,666
Current portion of lease obligations	**(36,201)**	(35,662)
Lease obligations	**46,803**	83,004

Maturity analysis - contractual undiscounted cash flows

Less than one year	38,196	37,917
One to five years	47,745	85,941
Total undiscounted lease obligations	**85,941**	123,858

10. Share capital and warrants

Authorized
Unlimited number of common shares, without par value, voting and participating

	December 31, 2024		December 31, 2023	
	Number	**Amount**	Number	Amount
		$		$
Balance at the beginning of the year	**351,800,077**	**59,443,625**	314,820,044	55,572,843
Shares issued and paid				
Flow-through private placements (a) (c) (d)	**8,379,808**	**1,059,950**	35,522,890	4,253,701
Renouncement of tax deductions on flow-through shares (a) (c) (d)	**-**	**(346,154)**	-	(294,164)
Private placements (b) (e)	**4,431,202**	**487,432**	1,457,143	204,000
	12,811,010	**1,201,228**	36,980,033	4,163,537
Share issue expenses (Note 1 and (a) (b) (c) (d) (e))	**-**	**(88,731)**	-	(292,755)
Balance at the end of the year	**364,611,087**	**60,556,122**	351,800,077	59,443,625

10. Share capital and warrants (continued)

(a) Issuance of flow-through shares on December 27, 2024

On December 27, 2024, the Company completed a non-broker private placement. The Company issued 7,692,308 flow-through shares at a price of $0.13 per share for gross proceeds of $1,000,000. In connection with the offering, the agent received shares equal to 6% of the gross proceeds of the offering, which represents 687,500 shares for a value of $59,950. Share issue expenses totalling $11,410 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by $346,154. The consideration is presented as a liability related to flow-through shares.

(b) Issuance of common shares on November 15, 2024

On November 15, 2024, the Company completed a private placement totalling $487,432. The Company issued a total of 4,431,202 units at a price of $0.11 per unit. Each unit consists of one common share and one warrant, each entitling its holder to subscribe to one common share at a price of $0.16 for a period of 36 months following the closing date. The Company incurred $17,371 in share issue expenses in connection with this financing.

(c) Issuance of flow-through shares on December 14, 2023

On December 14, 2023, the Company completed a non-broker private placement. The Company issued 13,000,000 flow-through shares at a price of $0.10 per share for gross proceeds of $1,300,000 and 11,000,000 flow-through shares at a price of $0.11 per share for gross proceeds of $1,210,000, totalling an amount in cash of $2,510,000. In connection with the offering, the agent received shares equal to 6% of the gross proceeds of the offering, which represents 1,506,000 shares for a value of $150,600. Share issue expenses totalling $172,416 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by $55,000 and the consideration is presented as a liability related to flow-through shares.

(d) Issuance of flow-through shares on May 1, 2023

On May 1, 2023, the Company completed a non-broker private placement. The Company issued 5,140,000 flow-through shares at a price of $0.155 per share for gross proceeds of $796,700 and 4,545,455 flow-through shares at a price of $0.165 per share for gross proceeds of $750,000, totalling an amount in cash of $1,546,700. In connection with the offering, the agent received a cash fee equal to 3% of the gross proceeds for an amount of $46,401 of the offering and shares equal to 3% of the gross proceeds of the offering, which represents 331,435 shares for a value of $46,401. Share issue expenses totalling $110,306 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by $239,164 and the consideration is presented as a liability related to flow-through shares.

(e) Issuance of common shares on May 9, 2023

On May 9, 2023, the Company completed a private placement amounting to $204,000. The Company issued a total of 1,457,143 common shares at a price of $0.14 each. Issuance costs of $10,033 were applied against share capital.

(In Canadian $)

10. Share capital and warrants (continued)

Share option plan

The Company has a share option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

The following table summarizes the information about the outstanding share options:

	December 31, 2024		December 31, 2023	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding at the beginning of the year	**19,900,000**	**0.16**	18,225,000	0.17
Granted - employees	**7,250,000**	**0.08**	5,250,000	0.11
Expired	**(4,925,000)**	**0.14**	(3,575,000)	0.15
Outstanding at the end of the year	**22,225,000**	**0.14**	19,900,000	0.16
Exercisable at the end of the year	**16,700,000**	**0.15**	15,950,000	0.17

The following table summarizes certain information for share options outstanding and exercisable:

	Outstanding options December 31, 2024			**Exercisable options December 31, 2024**		
Exercise price	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**
		(years)	**$**		**(years)**	**$**
$0.065 to $0.125	**14,375,000**	**4.10**	**0.09**	**8,850,000**	**3.66**	**0.09**
$0.135 to $0.185	**2,250,000**	**2.41**	**0.15**	**2,250,000**	**2.41**	**0.15**
$0.195 to $0.245	**3,800,000**	**0.70**	**0.22**	**3,800,000**	**0.70**	**0.22**
$0.255 to $0.305	**1,800,000**	**1.40**	**0.31**	**1,800,000**	**1.40**	**0.31**
$0.065 to $0.305	**22,225,000**	**3.13**	**0.14**	**16,700,000**	**2.58**	**0.15**

	Outstanding options December 31, 2023			Exercisable options December 31, 2023		
Exercise price	Number of options	Weighted average remaining life	Weighted average exercise price	Number of options	Weighted average remaining life	Weighted average exercise price
		(years)	$		(years)	$
$0.085 to $0.105	5,050,000	4.48	0.09	2,400,000	4.48	0.10
$0.11 to $0.215	10,700,000	2.36	0.15	9,400,000	2.36	0.14
$0.22 to $0.305	4,150,000	2.18	0.27	4,150,000	2.18	0.27
$0.085 to $0.305	19,900,000	2.86	0.16	15,950,000	2.63	0.17

(In Canadian $)

10. Share capital and warrants (continued)

Share option plan (continued)

The weighted average fair value of share options granted was estimated using the Black-Scholes model at $0.06 ($0.06 in 2023) per option using the following assumptions:

	2024	2023
Risk-free interest rate	**3.18%**	3.26%
Expected volatility	**93%**	75%
Dividend yield	**Nil**	Nil
Weighted average expected life	**5 years**	5 years

During the year ended December 31, 2024, the share-based payment expense was $367,728 ($281,493 in 2023). An amount of $287,999 was presented in the statement of loss and comprehensive loss ($227,252 in 2023) and an amount of $79,729 was presented in mining assets and deferred exploration costs ($54,241 in 2023).

Warrants

The following table presents the changes that occurred during the year:

	December 31, 2024			December 31, 2023		
	Number	**Weighted average exercise price**	**Weighted average remaining contractual life**	Number	Weighted average exercise price	Weighted average remaining contractual life
		$	**(years)**		$	(years)
Outstanding at the beginning	**7,000,000**	**0.16**	**1.39**	7,000,000	0.16	2.39
Granted - private placements [1]	**4,431,202**	**0.16**	**2.87**	-	-	-
Outstanding at the end	**11,431,202**	**0.16**	**1.35**	7,000,000	0.16	1.39

[1] At issuance, the warrants are subject to a four months and one day statutory hold period. These warrants have a maximum term of 36 months following their date of issue.

The outstanding warrants are as follows:

Maturity date	**Exercise price**	**Number**
	$	
May 2025	0.16	**7,000,000**
November 2027	0.16	**4,431,202**
		11,431,202

(In Canadian $)

11. Employee remuneration

Employee benefits recognized are detailed below:

	December 31, 2024	December 31, 2023
	$	$
Salaries and fees	**934,878**	912,829
Fringe benefits	**57,556**	59,709
Share-based payments	**361,995**	280,203
Defined contribution pension plan	**47,747**	44,597
	1,402,176	1,297,338
Less: salaries and share-based payments capitalized in exploration and evaluation assets	**(511,452)**	(462,031)
Employee benefits	**890,724**	835,307

Employee benefits expense is allocated to the following items:

	December 31, 2024	December 31, 2023
	$	$
Salaries	**582,594**	552,478
Share-based payments	**282,266**	225,962
Road shows and gold shows	**17,502**	53,210
Training and travel	**8,362**	3,657
	890,724	835,307

12. Financial expenses

	December 31, 2024	December 31, 2023
	$	$
Interest and bank charges	**5,260**	6,812
Interests on lease obligations	**1,062**	491
Total of financial expenses	**6,322**	7,303

13. Cash flows

Additional information	**December 31, 2024**	December 31, 2023
	$	$
Items not affecting cash related to operating, financing and investing activities		
Variation of share issue expenses included in accounts payable and accrued liabilities	**6,796**	7,603
Variation of deferred exploration costs included in accounts payable and accrued liabilities	**3,563**	654,031
Reversal of the provision of mining rights	**-**	2,048

14. Financial instruments

Objectives and policies for managing financial risks

The Company is exposed to various financial risks resulting from its operations and investing activities. The directors and officers of the Company manage these risks.

The Company does not enter into speculative derivative financial instruments.

Financial risk

The following paragraphs describe the main financial risks the Company is exposed to and its risk management policies.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash bear interest at a fixed rate. In relation to these, the Company is exposed, to a limited extent, to a change in fair value because the Company plans to use it in the short term for its operations.

Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. As indicated in note 1, the Company's ability to continue as a going concern depends, among other things, on obtaining the necessary financing to carry out exploration and development. Although the Company has been successful in obtaining financing in the past, there can be no assurance of success in the future.

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the fiscal year, the Company has financed its exploration expense commitments, working capital requirements and acquisitions through private and flow-through financings.

All financial liabilities mature in less than 12 months.

Sensitivity to credit risk

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below:

	December 31, 2024	December 31, 2023
	$	$
Cash	**1,228,177**	4,739,698

The Company’s financial assets are not secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

(In Canadian $)

14. Financial instruments (continued)

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels: Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities of a quoted mining exploration company are classified under Level 1.

The carrying amount of cash and accounts payables and accrued liabilities approximate their fair value based on the close date.

15. Deferred income and mining taxes

The reconciliation of the income tax expense, calculated using the statutory income tax rates of the federal government and the Province of Québec, to the income tax expense as per the financial statements, is as follows:

	December 31, 2024	December 31, 2023
	$	$
Loss before income and mining taxes	**(11,255,831)**	(1,493,376)
Recovery of combined federal and provincial income tax at 26.5% (26.5% as at December 31, 2023)	**(2,982,795)**	(395,745)
Deferred taxes related to exploration and evaluation assets funded by flow-through shares	**974,342**	1,468,740
Non-deductible expenses for income tax purposes	**77,697**	62,976
Share issue expenses not affecting earnings	**(23,514)**	(77,580)
Change in unrecognised tax benefits	**2,065,415**	(378,070)
Adjustment from previous years	**(16,469)**	747
Mining taxes related to exploration expense write-offs	**(1,079,521)**	-
Other	**23,940**	7,201
	(960,905)	688,269
Mining taxes	**(5,463)**	58
Flow-through premium	**(147,749)**	(793,792)
Deferred income and mining taxes	**(1,114,117)**	(105,465)

(In Canadian $)

15. Deferred income and mining taxes (continued)

The Company has accumulated, for federal and provincial income tax purposes, non-capital losses which can be applied against future years' taxable income and which will expire as follows:

	December 31, 2024	
Year	Federal	Provincial
	$	**$**
2025	8,387	7,530
2026	5,699	4,765
2027	524,066	521,001
2028	725,416	718,518
2029	724,776	720,746
2030	955,459	952,206
2031	792,271	777,709
2032	1,114,872	1,100,591
2033	865,813	842,225
2034	808,358	800,904
2035	697,789	694,214
2036	584,553	580,931
2037	1,557,695	1,557,695
2038	1,337,806	1,337,806
2039	1,232,485	1,232,485
2040	1,468,539	1,468,539
2041	1,448,595	1,446,228
2042	1,555,613	1,550,295
2043	1,659,140	1,655,166
2044	1,347,379	1,347,377
	19,414,711	**19,316,931**

Deferred tax assets unrecognized

Deferred tax assets have not been recognized as it is not probable that future taxable profits will be available and against which unused tax losses and unused tax credits could be charged. Deferred tax assets have not been recognized in respect of:

	December 31, 2024	December 31, 2023
	$	$
Non-capital losses	**5,133,654**	3,497,039
Share issue cost	**101,039**	-
Financial assets measured at fair value	**74,786**	-
Property, plant and equipment	**77,069**	-
Right-of-use assets	**243**	-
Mining assets and deferred exploration expenses	**175,663**	-
	5,562,454	3,497,039

Deferred tax assets related to share issue costs in the amount of $101,039 ($nil as at December 31, 2023) have been recognized.

(In Canadian $)

15. Deferred income and mining taxes (continued)

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

	December 31, 2024	December 31, 2023
	$	$
Property, plant and equipment	**-**	75,416
Right-of-use assets	**-**	239
Non-capital losses	**-**	1,279,223
Financial assets at fair value	**-**	75,634
Share issue cost	**-**	150,964
Deferred tax assets	**-**	1,581,476
Mining assets and deferred exploration expenses	**(3,756,043)**	(6,298,424)
Deferred tax liabilities	**(3,756,043)**	(4,716,948)

Change in deferred tax

	Balance December 31, 2023	Recognized in profit or (loss)	**Balance December 31, 2024**
	$	$	**$**
Property, plant and equipment	75,416	(75,416)	**-**
Right-of-use assets	239	(239)	**-**
Deferred exploration costs	(6,298,424)	2,542,381	**(3,756,043)**
Financial assets at fair value	75,634	(75,634)	**-**
Share issue cost	150,964	(150,964)	**-**
Non-capital losses	1,279,223	(1,279,223)	**-**
Total	(4,716,948)	960,905	**(3,756,043)**

Change in deferred tax

	Balance December 31, 2022	Recognized in profit or (loss)	Balance December 31, 2023
	$	$	$
Property, plant and equipment	73,977	1,439	75,416
Right-of-use assets	972	(733)	239
Deferred exploration costs	(4,776,270)	(1,522,154)	(6,298,424)
Financial assets at fair value	55,414	20,220	75,634
Share issue cost	155,942	(4,978)	150,964
Non-capital losses	461,286	817,937	1,279,223
Total	(4,028,679)	(688,269)	(4,716,948)

(In Canadian $)

16. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors. Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

– one year following the flow-through placements; or
– one year after the Company has renounced the tax deductions relating to the exploration work.

If the Company does not incur eligible exploration expenditures, it will be required to indemnify the holders of such shares against all taxes and other expenses incurred as a result of the Company not incurring the required exploration expenses.

During the year ended December 31, 2024, the Company receive an amount of $1,000,000 from a flow-through financing. Of the total 2024 flow-through financing, no amount was used as deferred exploration expenses as at December 31, 2024. The Company renounced tax deductions in connection with this flow-through financings and a liability related to the flow-through shares issued in 2024 totalling $346,154 ($294,164 in 2023) which was recorded as a liability related to the flow-through shares at the time of the issuances. Management is required to incur eligible exploration expenditures by December 31, 2025. As at December 31, 2024, the portion of the liability related to flow-through shares is $346,154 ($147,749 in 2023).

17. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	December 31, 2024	December 31, 2023
	$	$
Short-term employee benefits		
Salaries and fees including bonuses and benefits	**783,764**	763,354
Social security costs and contributions to the pension plan	**83,321**	83,025
Total short-term employee benefits	**867,085**	846,379
Share-based payments	**323,632**	255,628
Total remuneration	**1,190,717**	1,102,007

During the years ended December 31, 2024 and 2023, no key management personnel exercised share options granted through the share-based payment plans.

18. Related party transactions

During the year 2024, the Company paid $1,783 ($nil in 2023) to the spouse of a director for consultant fees. As at December 31, 2024, this amount has been recorded in administrative expenses in "Business development expenditures (analysts and brokers)" in the statements of loss and comprehensive loss and no amount is payable.

19. Capital disclosures

The Company's objectives in managing its capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. 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 and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquire properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

The Company expects that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next 12 months.

The Company is not subject, with regards to external rules, to any requirements regarding its capital, unless the Company completes a flow-through financing for which the cash must be reserved for exploration. As of December 31, 2024, the Company has $1,000,000 cash reserved for exploration ($3,106,820 as of December 31, 2023).

20. Subsequent event

On April 23, 2025, the Company completed a private placement for aggregate gross proceeds of $8,395,176, through a combination of: (i) 27,473,627 units of the Company issued on a flow-through at $0.182 per flow-through unit for gross proceeds of $5,000,200; and (ii) 26,115,200 units of the Company issued at $0.13 per unit for gross proceeds of $3,394,976.

Each flow-through unit will consist of one common share in the capital of the Company and one common share purchase warrant.

Each unit will consist of one common share of the Company and one common share purchase warrant.

Each warrant will entitle the holder thereof to acquire one common share of the Company at an exercise price of $0.18 for a period of five years following the closing date of the offering.

In connection with Agnico Eagle Mines Limited’s (“Agnico Eagle”) right to participate in certain equity offerings by the Company, the Company is entering into a subscription agreement with Agnico Eagle to provide for a concurrent non-brokered private placement of 23,103,226 units of the Company (the "IRA Units") at $0.13 per IRA Unit for additional gross proceeds for $3,003,419 (the "Concurrent Offering"). Each IRA Unit will consist of one common share of the Company and one warrant.