GPM Metals

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended

December 31, 2024, and 2023

(Expressed in Canadian dollars)

Management's Responsibility for Consolidated Financial Statements

The accompanying audited consolidated financial statements of GPM Metals Inc. (the `Company` or `GPM`) are the responsibility of management and the Board of Directors.

The audited consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the audited consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions that were not complete at the statement of financial position date. In the opinion of management, the audited consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the audited consolidated financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the audited consolidated financial statements and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) John Timmons
(signed) Yajian Wang

Chief Executive Officer
Chief Financial Officer

Toronto Canada
April 29, 2025

Independent Auditor's Report

To the Shareholders of GPM Metals Inc.

Opinion

We have audited the consolidated financial statements of GPM Metals Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity (deficit) 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

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, 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 consolidated financial statements, which describes conditions indicating that a material uncertainty exits that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor’s report thereon.

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. 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 Accounting Standards, 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the 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 the 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 judgment 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Forbes Andersen LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 29, 2025

GPM METALS INC.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

		As at December 31, 2024		As at December 31, 2023
ASSETS				
Current assets				
Cash	**$**	**2,522,572**	$	221,738
Short-term investments (note 9)		**81**		31
Accounts receivable other assets (note 4)		**57,386**		55,332
Total assets	**$**	**2,580,039**	**$**	277,101
LIABILITIES AND EQUITY				
Current liabilities				
Amounts payable and other liabilities	**$**	**110,514**	$	78,496
Total liabilities		**110,514**		78,496
Capital, reserves and deficit				
Share capital (note 10)		**27,385,498**		25,209,255
Share-based payment reserve		**16,227,997**		15,828,334
Warrant reserve (note 12)		**1,172,096**		517,313
Deficit		**(42,316,066)**		(41,356,297)
Total capital, reserves and deficit		**2,469,525**		198,605
Total liabilities and equity	**$**	**2,580,039**	$	277,101

Nature of operations and going concern (note 1)
Subsequent events (note 17)

Approved on behalf of the Board:

(Signed) Bruce Rosenberg, Director

(Signed) Dan Noone, Chairman

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

GPM METALS INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year Ended December 31, 2024		Year Ended December 31, 2023
Operating expenses				
General and Administrative (note 13)	$	**659,182**	$	456,978
Foreign exchange loss gain		**(1,949)**		(3,044)
DPG Resources and Pre-Exploration expenditures (note 15)		**331,006**		248,911
Operating loss		**(988,239)**		(702,845)
Interest income		**28,420**		14,461
Fair value adjustment on short-term investments (note 9)		**50**		2
Net loss and comprehensive loss for the year	$	**(959,769)**	$	(688,382)
Basic and diluted net loss per common share (note 7)	$	**(0.010)**	$	(0.008)
Weighted average number of common shares		**99,509,652**		82,794,846

The notes to the consolidated financial statements are an integral part of these statements

GPM METALS INC.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Year Ended December 31 2024	Year Ended December 31 2023
Operating activities		
Net loss for the year	$ **(959,769)**	$ (688,382)
Unrealized loss on short-term investments	**(50)**	(2)
Stock-based payments (note 11)	**277,002**	206,419
Non-cash working capital items:		
Accounts receivable and other assets	**(2,054)**	27,098
Accounts payable and other liabilities	**32,019**	40,121
Net cash used in operating activities	**(652,853)**	(414,746)
Financing activities		
Proceeds from private placement	**3,160,000**	426,250
Share issuance costs	**(206,313)**	(16,902)
Net cash provided by financing activities	**2,953,687**	409,348
Net change in cash	**2,300,834**	(5,398)
Cash, beginning of year	**221,738**	227,136
Cash, end of year	**$ 2,522,572**	**$** 221,738

The notes to the consolidated financial statements are an integral part of these statements

GPM METALS INC.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Share Capital	Reserves: Share-based Payment Reserve	Reserves: Warrant Reserve	Deficit	Total
Balance, January 1, 2023	**$ 24,991,216**	**$ 15,621,915**	**$ 326,004**	**$ (40,667,915)**	**$ 271,220**
Proceeds from private placements (note 10)	426,250	-	-	-	426,250
Warrants issued (note 12)	(191,309)	-	191,309	-	-
Share issuance costs (note 10)	(16,902)	-	-	-	(16,902)
Share-based compensation (note 11)	-	206,419	-	-	206,419
Net loss and comprehensive loss for the year	-	-	-	(688,382)	(688,382)
Balance, December 31, 2023	**$ 25,209,255**	**$ 15,828,334**	**$ 517,313**	**$ (41,356,297)**	**$ 198,605**

	Share Capital	Reserves: Share-based Payment Reserve	Reserves: Warrant Reserve	Deficit	Total
Balance, January 1, 2024	**$ 25,209,255**	**$ 15,828,334**	**$ 517,313**	**$ (41,356,297)**	**$ 198,605**
Proceeds from private placements (note 10)	3,160,000	-	-	-	3,160,000
Warrants issued (note 12)	(777,444)	-	777,444	-	-
Share issuance costs (note 10)	(206,313)	-	-	-	(206,313)
Share-based compensation (note 11)	-	277,002	-	-	277,002
Warrants expired (note 12)		122,661	(122,661)		-
Net loss and comprehensive loss for the year	-	-	-	(959,769)	(959,769)
Balance, December 31, 2024	**$ 27,385,498**	**$ 16,227,997**	**$ 1,172,096**	**$ (42,316,066)**	**$ 2,469,525**

1. NATURE OF OPERATIONS AND GOING CONCERN

GPM Metals Inc. (the "Company" or "GPM .") was incorporated under the Alberta Business Corporations Act on March 16, 1994, under the name of Minera Sierra Madre Inc. Effective December 15, 1999, the Company changed its name to M.S.A. Capital Corp. and, subsequently, on October 28, 2002, changed its name to Coronation Minerals Inc. On April 5, 2004, the Company filed articles of continuance and was continued under the Business Corporations Act (Ontario). On August 17, 2009, the Company announced that it had filed articles of amendment to change its name to Guyana Precious Metals Inc. Effective August 27, 2013, the Company changed its name to GPM Metals Inc. The primary office is located at 141 Adelaide Street West, Suite 1101, Toronto, Ontario, M5H 3L5.

The Company is a development-stage entity that does not generate operating revenues and has limited financial resources. The Company is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the availability of capital and risks inherent in the mining industry related to development, exploration, and operations, as well as global economic risks and commodity price volatility. The underlying value of the Company's mineral properties is entirely dependent on the Company's ability to obtain the necessary permits to operate and secure the required financing to complete the development of, and establish future profitable production from, its mineral assets or the proceeds from the disposition of its mineral properties.

These consolidated financial statements have been prepared using IFRS Accounting Standards, as issued by the International Accounting Standards Board (“IASB”) on a going concern basis, which assumes the Company will be able to meet its obligations and continue its operations for the next twelve months from December 31, 2024. On December 31, 2024, the Company had not yet achieved profitable operations, had an accumulated deficit of $42.3 million since inception (December 31, 2023, $41.4 million), and expects to incur further losses in the development of its business.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its ongoing corporate overhead expenditures and advance the exploration of its claims and development of its projects. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to do so in the future or that such arrangements will be on terms advantageous to the Company. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the ordinary course of business. Accordingly, the appropriateness of accounting principles applies to a going concern.

These consolidated financial statements do not give effect to adjustments that may be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, the adjustments required to report the Company's assets and liabilities at liquidation values could be material to these consolidated financial statements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and has an interest, under industry standards for the current stage of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and the IFRIC Interpretations of the IFRS Interpretations Committee (collectively “IFRS”).

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2024. The Board of Directors approved the statements on April 29, 2025.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss ("FVTPL") which are stated at fair values. The accounting policies have been applied consistently throughout all periods presented in these financial statements.

(c) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of income and comprehensive income from the date that control commences until it ceases, as appropriate. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

(c) Basis of Consolidation (Continued)

The following companies have been consolidated within the consolidated financial statements:

Country of Corporation	Incorporation	Principal activity
GPM Metals Inc.	Canada	Parent company
1901743 Ontario Inc.	Canada	Holding company
D.P.G. Resources Australia Pty Ltd(1)	Australia	Exploration company
Guyana Precious Metals (Barbados) Inc.(2)	Barbados	Holding company

(1) On August 21, 2013, the Company completed the Acquisition of 100% common shares of D.P.G. Resources Inc. ("D.P.G."), a company incorporated under the laws of the Province of Ontario on June 16, 2009. Upon closing of the Acquisition, an aggregate of 18,700,000 common shares and 18,700,000 share purchase warrants (each, a "Warrant") of GPM were issued to the former shareholders of D.P.G. in exchange for the common shares of D.P.G. held by such shareholders, being one common share of GPM and Warrant for each common share of D.P.G. outstanding. There were no convertible securities of D.P.G. outstanding immediately pre-closing. Each Warrant entitles the Holder thereof to acquire one additional common share of GPM at an exercise price of $0.10 until August 21, 2015.

(2) On October 5, 2009, Guyana Precious Metals (Barbados) Inc., a wholly-owned subsidiary, was incorporated.

(d) Functional and Presentation Currencies

The functional currency for the Company and its subsidiaries, as determined by management, is the Canadian Dollar. For the purpose of the consolidated financial statements, the results of operations and financial position are presented in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are recognized in the consolidated statement of loss and comprehensive loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Significant accounting judgments and estimates

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

(f) Critical accounting estimates and judgments

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

i. Critical judgments:
   - assessment of the going concern assumption as detailed in Note 1 to the consolidated financial statements;
   - management's determination of the functional currency of GPM Metals Inc. and its subsidiaries as Canadian dollars;
   - management assumption of no material restoration, rehabilitation, and environmental obligations, based on the fact and circumstances that existed during the year;
   - management's position that there are no deferred income tax asset recognized within these consolidated financial statements;

ii. Use of estimation uncertainty:
   - the inputs used in accounting for share-based payment transactions and in the valuation of warrants issued in unit financing;
   - the incremental borrowing rate used to obtain an asset of similar value to the right-of-use asset.

(g) Cash

Cash comprises of cash held in financial institutions and on hand.

(h) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred. Refer to note 17.

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant, and equipment

Property, plant, and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is recognized based on the cost of an item of property and equipment, less its estimated residual value, over four years for computer equipment and two and a half years for specialized software.

An asset's residual value, useful life, and depreciation method are reviewed and adjusted if appropriate, on an annual basis.

In the year of disposal, the resulting gain or loss is included in the statements of operations and comprehensive loss, and the cost of the equipment retired or otherwise disposed of. The related accumulated depreciation is eliminated from these accounts.

(j) Share-based payment transactions

The Company measures share-based payments to employees at the fair value of the options at the grant date. The fair value of share options granted to employees is recognized as an expense over the vesting or service period with a corresponding increase to share-based payment reserve. The fair value of the options granted is measured using the Black-Scholes valuation model, considering the terms and conditions upon which the options were granted.

At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. An individual is classified as an employee when the individual is an employee for legal or Tax purposes (direct employee) or provides services like those performed by a direct employee, including directors of the Company.

Share-based payments to non-employees:

The Company measures share-based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity as consideration cannot be estimated reliably, they are measured at the fair value of the share-based payment. The fair value of share options or warrants granted to non-employees is recognized as an expense over the period the services have been provided. If the fair value of the goods or services cannot be measured reliably, the fair value of the options or warrants granted will be used, measured using the Black-Scholes option-pricing model. The capital surplus resulting from share-based payments is transferred to share capital if the options are exercised.

Charges for options or warrants that are cancelled or expire are reclassified from reserves to deficit. In addition, where the terms of a stock option or warrant are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Income Taxes

Income tax on the profit or loss for the period presented comprises current and deferred tax expense. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods. Deferred tax is recorded for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income taxes are recorded to recognize tax benefits only to the extent, based on available evidence, that it is probable that they will be realized. Deferred tax expense is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for temporary taxable differences arising from the initial recognition of goodwill.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences which may reverse, based on tax laws, enacted or substantively enacted at the statement of financial position date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(l) Basic and Diluted Earnings (Loss) per Share

Basic earnings (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options, restricted share unit’s and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. If the number of common shares outstanding increases or decreases because of share split or consolidation, the calculation of basic and diluted income/loss per share for all periods presented is adjusted retrospectively. During the year ended December 31, 2024 and 2023, all the outstanding stock options and warrants were anti-dilutive and are excluded from the computation of diluted loss per share.

(m) Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

(n) Warrants

Warrants give the holders the right to purchase a set number of shares for a fixed price on or before the Warrant's expiration date. Warrants are canceled on their given expiration date. Expired warrants are canceled to share-based payment reserve. Warrants are classified within warrant reserve. Where common shares and warrants are offered together as a "Unit", the Company allocates the consideration received per Unit, net of any issuance costs, to the common shares and warrants based on their relative fair values. The fair value of warrants is measured using a Black-Scholes option pricing model and is recorded in the warrant reserve.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions or onerous contracts on December 31, 2024 and 2023.

(p) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Under IFRS 9, financial assets and financial liabilities are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). IFRS 9 also contains the primary measurement categories for financial liabilities: measured at amortized cost and fair value through profit or loss (“FVTPL”).

Below is a summary showing the classification and measurement bases of the Company’s financial instruments.

	Classification
Cash	FVTPL
Accounts receivable	Amortized cost
Short-term investments	FVTPL
Amounts payable and other liabilities	Amortized cost

<u>*Financial assets*</u>

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

Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

Investments recorded at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment’s fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by investment basis.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Financial instruments (continued)

Financial assets (continued)

Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: (1) the object of the Company's business model for these financial assets is to collect their contractual cash flows, and (2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial liabilities

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

Amortized cost

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

The Company's amounts payable and other liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

Financial liabilities recorded FVTPL

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

Transaction costs

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

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

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

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Financial instruments (continued)

Expected credit loss impairment model

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

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

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

Financial instruments at fair value through profit and loss

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

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

As at December 31, 2024 and 2023, the Company did not hold financial instruments recorded at fair value that would require classification within the fair value hierarchy, except for cash and short-term investments (Level 1). The carrying value of the financial instruments noted above approximate their fair value due to the short-term nature of these instruments.

(o) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets 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").

An impairment loss is recognized if the carrying amount of a cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or a 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 assessment of the time value of money and the risks specific to the assets. Impairment losses are recognized in net loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Impairment (continued)

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, if no impairment loss had been recognized.

(p) Restoration, rehabilitation, and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when the exploration, development, or ongoing production of a mineral property interest cause an environmental disturbance. Such costs arising from the decommissioning of the plant and other site preparation work discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related assets through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. Costs for the restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

On December 31, 2024 and 2023, the Company has no material restoration, rehabilitation, and environmental costs as the disturbance to date are minimal.

(q) Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability, except for leases of low-value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on the commencement of the lease used. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

(r) Interest income

Interest income is recognized on an accrual basis using the effective interest method.

(s) New IFRS standards and amendments

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. The amendments were effective as of January 1, 2024 and did not have any impact on the Company's financial statements.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Future accounting standards, amendments and interpretations issued by not yet adopted

i) IFRS 18 Presentation and disclosure in financial statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements to improve the reporting of financial performance and give investors a better basis for analyzing and comparing companies. Specifically, it introduces:

- three defined categories for income and expenses (operating, investing and financing) and requires companies to provide new defined subtotals, included in operating profit;
- enhanced transparency of management-defined performance measures requiring companies to disclose explanations of those company-specific measures related to the statement of income; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the financial statements or is included in the notes.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is assessing the potential impact of this new standard.

ii) IFRS 9 Financial Instruments ("IFRS 9")

Amendments to IFRS 9 have been issued with the intention to clarify the date of recognition and derecognition of some financial assets and liabilities. The amendments are effective January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of these amendments on the financial statements.

3. ACCOUNTS RECEIVABLE AND OTHER ASSETS

	As of December 31, 2024	As of December 31, 2023
Harmonized sales tax recoverable	**$ 34,878**	$ 1,660
Sales tax recoverable (Australia)	**15,644**	47,161
Prepaid expenses	**6,864**	5,703
Other receivables	**-**	808
Total accounts receivable and other assets	**$ 57,386**	**55,332**

(Expressed in Canadian Dollars)

4. PROPERTY, PLANT AND EQUIPMENT

		Right-of-Use Asset
Cost		
Balance as of January 1, 2023	$	**104,445**
Balance as of December 31, 2023	**$**	**104,445**
Balance as of December 31, 2024	**$**	**104,445**
Accumulated depreciation		
Balance as of January 1, 2023	$	**104,445**
Balance as of December 31, 2023	**$**	**104,445**
Balance as of December 31, 2024	**$**	**104,445**
Net book value		
Balance as of December 31, 2023	$	**-**
Balance as of December 31, 2024	$	**-**

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company manages its exposure to a number of different financial risks arising from operations as well as from the use of financial instruments, including market risks (foreign currency exchange rate and interest rate), credit risk and liquidity risk, through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The Company does not use derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in key economic indicators and to up-to-date market information. The Company's management team carries out risk management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and short-term investments. The Company reduces its credit risk by maintaining its cash and short-term investments with reputable financial institutions in Canada, Barbados and Australia. Management believes that it's credit risk is not significant. The receivables balances are owed by the governments of Australia and Canada and the related credit risk is not considered to be significant.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital markets is hindered, whether because of a general downturn in stock market conditions or matters specific to the Company. The Company generates cash flow primarily from its financing activities.

As of December 31, 2024, the Company had cash of $2,522,572 (2023 – $221,738) to settle current liabilities of $110,514 (2023 – $78,496). Some of the Company's financial liabilities have maturities longer than 90 days and are not subject to standard trade terms. The Company regularly evaluates its cash position to ensure the preservation and security of capital and liquidity.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns. In order to mitigate these risks, the Company invests in financial instruments with carrying maturities and interest rates based on the Company's expected working capital requirements. The Company is not exposed to material price risk risk on its financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has no significant risk to future cash flows from interest rate risk. The Company does not use derivative instruments to reduce its exposure to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows from the Company's operations will fluctuate due to changes in market interest rates. The Company's functional and presentation currency is the Canadian Dollar, and major purchases are transacted in Canadian Dollars. As of December 31, 2024, the Company funds certain operations, exploration, and administrative expenses in Barbados on a cash call basis using U.S. Dollar currency and Australia using the Australian Dollar currency. The Company maintains U.S. Dollar bank accounts in Canada and Barbados, and Australian Dollar bank accounts in Australia and Canada. The Company is subject to gains and losses from fluctuations in the U.S. Dollar and Australian Dollar, against the Canadian Dollar.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over twelve months:

(i) The Company holds balances in foreign currencies, which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in each applicable foreign exchange rate against the Canadian Dollar would affect the reported income and comprehensive income for the year ended December 31, 2024, by approximately $8,652 (2023 – $7,641).

(ii) The Company's short-term investments (note 9) are subject to fair value fluctuations. As of December 31, 2024, sensitivity to a plus or minus 10% change in the quoted market price of common shares held, with all other variables held constant, would affect reported loss and comprehensive loss for the year ended December 31, 2024, by approximately $8 (2023 – $3).

6. SEGMENTED INFORMATION

The Company’s operations comprise a single reporting operating segment engaged in mineral exploration in Australia. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent segment amounts.

7. LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2024, was based on the loss attributable to common shareholders of $959,769 (2023 – $688,382) and the basic weighted average number of common shares outstanding of 99,509,652 (2023 – 82,794,846). Diluted loss per share did not include the effect of outstanding options or warrants as they are anti-dilutive.

(Expressed in Canadian Dollars)

8. CAPITAL MANAGEMENT

The Company considers its capital to consist of its shareholders' equity balance, which as at December 31, 2024, totaled equity of $2,469,525 (2023 - $198,605).

The Company's objective when managing capital is to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions necessary to support operational activities.

The Company monitors its capital structure and adjusts according to market conditions in an effort to meet its objectives, given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors continuously.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors. The Company's capital management objectives, policies, and processes have remained unchanged since December 31, 2022. The Company is not subject to any externally imposed capital requirements.

Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, and all are held in major financial institutions.

The Company is not subject to any externally imposed capital requirements.

9. SHORT-TERM INVESTMENTS

	Number of Shares		As of December 31, 2024		As of December 31, 2023
G2 Goldfields Inc	42	**$**	**81**	$	31
Total short-term investments		**$**	**81**	$	31

During the year ended December 31, 2024, the Company recognized an unrealized gain relating to fair value fluctuations of $50 (2023 – $2).

(Expressed in Canadian Dollars)

10. SHARE CAPITAL

(a) Authorized share capital

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

(b) Common shares issued

At December 31, 2024, the issued share capital amounted to $27,385,498 (2023 - $25,209,255). The changes in issued share capital for the years ended December 31, 2024 and 2023 were as follows:

	Number of Common Shares	Amount
Balance, January 1, 2023	**76,029,059**	**$ 24,991,216**
Issued for cash (note i)	7,750,000	426,250
Issue cost (note i)		(16,902)
Allocation of proceeds to warrants		(191,309)
Balance, December 31,2023	**83,779,059**	**25,209,255**
Issued for cash (notes ii and iii)	52,666,668	**3,160,000**
Issue cost (notes ii and iii)		**(206,314)**
Allocation of proceeds to warrants		**(777,444)**
Balance, December 31, 2024	**136,445,727**	**$ 27,385,498**

(i) On June 8, 2023, the Company completed a non-brokered private placement, pursuant to which an aggregate of 7,750,000 units (“Units”) were issued at $0.055 per unit for gross aggregate proceeds of $426,250. Each unit includes one common share of the Company and one common share purchase warrant. Each Warrant will entitle the Holder to purchase on additional share at an exercise price of $0.10 for a period of five years. In connection with the private placement, the Company incurred share issuance costs of $16,902.

(ii) On September 4, 2024, the Company completed a non-brokered private placement, pursuant to which an aggregate of 41,666,668 units (“Units”) were issued at $0.06 per unit for gross aggregate proceeds of $2,500,000. Each Unit includes one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the Holder to purchase an additional share at an exercise price of $0.10 for a period of two years. In connection with the private placement, the Company incurred share issuance costs of $170,235.

(iii) On October 17, 2024, the Company completed a non-brokered private placement, pursuant to which an aggregate of 11,000,000 units (“Units”) were issued at $0.06 per unit for raise gross aggregate proceeds of $660,000. Each Unit includes one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the Holder to purchase an additional share at an exercise price of $0.10 for two years. of two years. In connection with the private placement, the Company incurred share issuance costs of $36,079.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS

The Company adopted a stock option plan for employees, consultants, officers, and directors on May 9, 2016. The number of common shares reserved for issue under the stock option plan may not exceed 10% of the issued and outstanding capital of the Company at any given time. The term of options granted under the stock option plan may not exceed five years from the date of the grant, and the option price, which may be determined by the directors of the Company, may not be less than the market price for the common shares at the grant date, less an approved discount.

The Company records a charge to the statements of loss and comprehensive loss using the Black-Scholes valuation model. For options granted to non-employees, the valuation is based on services provided if reliably measurable. The Black-Scholes valuation is dependent on several estimates, including the risk-free interest rate together with the level of stock volatility. The level of stock volatility is calculated with reference to the historic traded daily closing share price of the Company at the date of the issue.

Options pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following tables reflect the continuity of stock options for the years ended December 31, 2024, and 2023.

	Number of Stock Options	Weighted Average Exercise Price($)
Balance, January 1, 2023	**1,300,000**	**0.10**
Granted on July 17, 2023 (note i)	4,600,000	0.10
Balance, December 31, 2023	**5,900,000**	**0.10**
Expired on June 1, 2024(note ii)	(1,300,000)	0.10
Granted on June 26, 2024 (note iii)	1,300,000	0.10
Granted on December 9, 2024 (note iv)	6,100,000	0.10
Forfeited (note iv)	(1,500,000)	0.10
Balance, December 31, 2024	**10,500,000**	**0.10**

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

Expiry Date	Exercise Prices	Weighted Ave Remining contractual Life (years)	Number of Options Outstanding	Number of Options Vested (exercisable)
July 17, 2026	0.10	1.54	4,600,000	3,450,000
June 26, 2027	0.10	2.48	1,300,000	650,000
December 9, 2027	0.10	2.94	4,600,000	1,525,000
Total		**0.98**	**10,500,000**	**5,625,000**

(Expressed in Canadian Dollars)

11. STOCK OPTIONS (CONTINUED)

(i) On July 17, 2023, the Company granted an aggregate of 4,600,000 options to directors, officers and consultants of the Company, with such options being exercisable at a price of $0.10 per share until July 17, 2026. The options vest as to 25% immediately and 25% after 6, 12 and 18 months respectively from the date grant. The fair value of the options was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 4.33%, the volatility of 107%, and an expected life of 3 years. The fair value assigned to these options was $308,200.

(ii) On June 1, 2024, 1,300,000 options expired unexercised.

(iii) On June 26, 2024, the Company granted Peter Walsh 1,300,000 options exercisable at a price of $0.10 per share until June 26, 2027. The options vest as to 25% immediately and 25% after 6, 12 and 18 months respectively from the date of grant. The fair value of the options was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 3.63%, the volatility of 113%, and an expected life of 3 years. The fair value assigned to these options was $46,800.

(iv) On December 9, 2024, the Company granted officers, directors, and consultants 6,100,000 options exercisable at a price of $0.10 per share until December 9, 2027. The options vest as to 25% immediately and 25% after 6, 12 and 18 months respectively from the date of grant. The fair value of the options was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 2.82%, the volatility of 124%, and an expected life of 3 years. The fair value assigned to these options was $500,200. During the year ended December 31, 2024, 1,500,000 of unvested options were forfeited.

For the year ended December 31, 2024, stock-based compensation totaling $277,002 (2023 - $206,419) was recognized in the consolidated statement of loss and comprehensive loss in connection with the vesting of options.

12. WARRANTS

The following table reflects the continuity of warrants for the years ended December 31, 2024 and 2023:

	Number of Warrants	Weighted Average Exercise Price($)
Balance, January 1, 2023	**10,456,250**	**0.11**
Warrants issued, expiry July 26, 2025 (note vii)	7,750,000	0.10
Balance, December 31, 2023	**18,206,250**	**0.11**
Warrants issued, expiry September 4, 2026 (note viii)	20,833,334	0.10
Warrants issued, expiry October 17, 2026 (note ix)	5,500,000	0.10
Warrants expired, November 4, 2024 (note iii)	(3,000,000)	0.15
Balance, December 31, 2024	**41,539,584**	**0.10**

(Expressed in Canadian Dollars)

12. WARRANTS (CONTINUED)

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

Expiry Date	Exercise Prices	Weighted Ave Remining contractual Life (years)	Number of Warrants Outstanding	Fair value ($)
February 10, 2026 (note ii)	0.10	1.05	3,000,000	66,323
February 10, 2026 (note i)	0.10	1.05	2,000,000	44,882
July 26, 2025 (note iv)	0.10	0.57	2,456,250	92,139
June 8, 2028 (note vii)	0.10	3.44	7,750,000	191,308
September 4, 2027 (note viii)	0.10	1.68	20,833,334	620,301
October 17, 2027 (note ix)	0.10	1.79	5,500,000	157,143
Total	**0.10**	**1.88**	**41,539,584**	**1,172,096**

(i) On February 11, 2021, the Company issued 2,000,000 Special Warrants to Rosseau Asset Management at a price of $0.05 per Special Warrant. Each Special Warrant automatically converted into one Unit without any additional payment or action by the Holder on the date upon which the Company received shareholder approval for Rosseau Asset Management and associates to become "control persons "of the Company (within meaning of the regulations of the TSX Venture Exchange). Pursuant to the conversion, the Company issued 2,000,000 warrants exercisable at a price of $0.10 for a period of 5 years.

(ii) On February 11, 2021, the Company issued 3,000,000 warrants at an exercise price of $0.10 for a five years, expiring on February 11, 2026.The fair value of the warrants was estimated on the date of grant using the Black Scholes option-pricing model with the following assumptions: the share price of $0.07, expected dividend yield of 0%, risk-free interest rate of 0.41%, the volatility of 125.40%, and an expected life of 5 years. The fair value estimated for these warrants was $66,323.

(iii) On November 5, 2021, the Company issued 3,000,000 warrants at an exercise price of $0.15 for a three years, expiring on November 5, 2024.The fair value of the warrants was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.12, expected dividend yield of 0%, risk-free interest rate of 1.17%, the volatility of 124.8%, and an expected life of 3 years. The fair value estimated for these options was $122,660. During the year ended December 31, 2024, these warrants expired unexercised and the fair value of the warrants was reallocated to share-based payment reserve.

(iv) On February 22, 2022, the 5,000,000 previously issued warrants at an exercise price of $0.10 expired. With this expiration, the fair value of warrants of $300,790, was reallocated to share-based payment reserve.

(v) On July 26, 2022, the Company issued 2,456,250 Warrants at an exercise price of $0.10 expired on three years on July 26, 2025. Using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 1.07%, the volatility of 181.97%, and an expected life of 3 years. The fair value estimated for these warrants was $117,900.

(vi) On August 9, 2022, the 8,000,000 previously issued warrants and the 109,800 brokers' warrants at an exercise price of $0.10 expired. In connection with this expiration, a change in the fair value of these warrants of $249,283 and $5,463, respectively, was reallocated to share-based payment reserve.

(Expressed in Canadian Dollars)

12. WARRANTS (CONTINUED)

(vii) On June 8, 2023, the Company issued 7,750,000 Warrants at an exercise price of $0.10 expired on five years on June 8, 2028. Using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 3.98%, the volatility of 121%, and an expected life of 5 years. The fair value estimated for these warrants was $191,309.

(viii) On September 4, 2024, the Company issued 20,833,334 Warrants at an exercise price of $0.10 expired on two years on September 4, 2026. Using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 4.14, the volatility of 132%, and an expected life of 2 years. The fair value assigned to these warrants was $620,301.

(ix) On October 17, 2024, the Company issued 5,500,000 Warrants at an exercise price of $0.10 expired on two years on October 17, 2026. Using the Black-Scholes option-pricing model with the following assumptions: the share price of $0.10, expected dividend yield of 0%, risk-free interest rate of 4.09, the volatility of 135%, and an expected life of 2 years. The fair value assigned to these warrants was $157,143.

13. GENERAL AND ADMINISTRATIVE

		December 31, 2024		**December 31, 2023**
Salaries and benefits	**$**	**90,902**	$	84,299
Administrative and general		**70,842**		45,268
Stock-based compensation		**277,002**		206,419
Reporting issuer costs		**32,240**		27,323
Professional fees		**180,301**		78,141
Insurance		**7,895**		9,369
Travel		**-**		6,159
Total	**$**	**659,182**	$	456,978

14. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the Board of Directors, officers, close family members, and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The transactions noted below are in the normal the course of business.

The remuneration of current and former Directors and key management personnel of the Company was as follows:

For the years ended		**December 31, 2024**		December 31, 2023
Total salaries, benefits, fees	**$**	**184,396**	$	126,299
Total share-based payments		**139,437**		206,419
Total compensation to related parties	**$**	**323,833**	$	332,718

14. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Salaries and benefits include salaries, director fees, and fees to related companies controlled by key management personnel. As at December 31, 2024, amounts payable and other liabilities included $3,000 (2023 - $3,100) payable to a company controlled by a member of key management personnel.

During the year ended December 31, 2024, the Company made rent payments of $30,000 (2023 - $30,000) to a company with which the Company has a director in common. this related party. As at December 31, 2024, amounts payable and accrued liabilities included $45,000 (2023 - $15,000) payable to this related party.

15. DPG RESOURCES AND PRE-EXPLORATION EXPENDITURES

The Company enters into exploration agreements or permits with other companies or foreign governments under which it may explore or earn interests in mineral properties by issuing common shares and making option or rental payments and incurring expenditures in varying amounts by varying dates. Failure by the Company to meet such requirements can result in a reduction or loss of the Company's ownership interests or entitlements under the agreements or permits.

(a) Walker Gossan Project

On January 27, 2014, the Company, through its wholly-owned subsidiary D.P.G. Resources Australia Pty Limited entered into; an Earn-In/Joint Venture Agreement with Rio Tinto Exploration Pty Limited ("Rio Tinto"), a wholly-owned subsidiary of Rio Tinto Limited covering base metal exploration and development right, in relation to certain granted exploration tenements and tenement applications in the McArthur Basin Mining District, Northern Territory, Australia (the "Walker Gossan project").

Rio Tinto and GPM have entered into a definitive Two-Stage Earn-In/Joint Venture Agreement granting GPM an initial 51% interest under certain conditions that include:

<u>Stage One</u>

1. Payment of Australian Dollar ("AUD") $1,000,000 on signing (paid);
2. Minimum expenditure of AUD$2,000,000 within 3 years of effective date; (met)
3. Combined expenditures of AUD$20,000,000 over a 10-year period; and
4. Milestone payments within the combined expenditures as follows:
   (i) AUD$100,000 upon the grant of licenses to all the properties;
   (ii) AUD$1,000,000 upon the completion of the first drill hole on the Walker Gossan project (paid); and
   (iii) AUD$4,000,000 upon the completion of a resource study that shows an indicated resource of a minimum 20 million tons of greater than 8% combined lead and zinc or lead, zinc, and silver, within the licensed area or a Decision to Mine being made.

<u>Stage Two</u>

GPM may increase its interest to 75% by completing a Feasibility Study within three years of completing Stage One. Rio Tinto may elect to contribute pursuant to its participating share, not contribute and be diluted or convert its interest into a Net Smelter Return (2.5%) royalty. There are rights of first refusal on the purchase and sale of interest for both parties at fair market value. GPM will be responsible for all negotiations with the Northern Land Council for consent to issue the exploration license applications and work programs to be conducted by GPM under its sole rights or as an operator.

15. DPG RESOURCES AND PRE-EXPLORATION EXPENDITURES (CONTINUED)

During the year ended December 31, 2024, the Company, through its subsidiary DPG) terminated the Two Stage Earn-In/ Joint Venture Agreement and entered into a Sale and Purchase Agreement (the "SPA") with Rio Tinto for the purchase of specified Exploration Licences and Exploration License Applications (together the "Tenements") that were included in the original Earn-In/ Joint Venture Agreement. As consideration for the Tenements, the Company shall make the following payments:

a. 100,000 Australian Dollars within 20 business days of the later of:
   i. Receiving confirmation of the transfer of the Tenements from the Vendor to the Purchaser;
   ii. Receiving consent from the NLC in writing for the transfer of the ALRA Deeds; and
   iii. Receiving a Tax invoice from Rio Tinto for such amount.
   ("Initial Consideration); and

b. A further potential contingent payment equal to one thousand (1,000) multiplied by the average spot price per tons of zinc metal and lead metal as quoted on the London Metals Exchange (the "LME") over the 10 LME trading days up to and including the Trigger Date converted into Australian Dollars using the mid-point closing spot United States Dollar: Australian Dollar exchange rate quoted by Bloomberg, within 20 business days of the earlier of the Company:
   i. Completing a JORC compliant resource study that shows a measured plus indicated Mineral Resource greater than 20 million tons at greater than eight percent (8%) combined lead and zinc within the area of the Tenements; and
   ii. A Decision to Mine being made

The Initial Consideration may, at the discretion of the Company be paid in cash, in Australian Dollars or by fully paid up, freely tradeable common shares of the Company.

The SPA is conditional on:

a. The Minister approving (or consenting or indicating his approval or consent to) this Agreement and to the transfer of the Tenements from the Vendor to the Purchaser;

b. The registration of such transfer under the Mining Act; and

c. The NLC providing its written consent for the transfer of the Tenements and the assignment of the ALRA Deeds.

Pursuant to the SPA, Rio Tinto will have certain claw back rights that will provide it with the right, but not the obligation, to buy backup to a 49% interest in the Tenements subject to various terms and conditions. If Rio Tinto does not elect any of its claw back rights, it will receive a net smelter return royalty of 2.5% in respect of all Product produced from any Mining within the Royalty Area.

Either party, by written notice to the other Party, may terminate the SPA if:

a. The Minister rejects the registration of the Agreement or the transfer of the Tenements; or

b. The conditions for the SPA taking effect discussed above are not satisfied within 180 business days of the Completion Date, or any longer period agreed in writing by the Parties prior to the end of that 180 business day period.

If the SPA is terminated per the conditions above, the Two-Stage Earn-In/Joint Venture Agreement will continue unaffected.

As of December 31, 2024, the transfer of the properties had not yet happened.

(Expressed in Canadian Dollars)

15. DPG RESOURCES AND PRE-EXPLORATION EXPENDITURES (CONTINUED)

The following is a detailed list of expenditures incurred on the Company's mineral properties:

		December 31, 2024		December 31, 2023
Australian – DPG Resources Inc.				
Consulting		**4,814**		1,614
Northland Council		**133,441**		16,962
General Administration Cost		**-**		61
North Territory - Grant		**(44,394)**		(44,840)
Indigenous Liaison		**25,708**		32,978
Equipment/Rental		**6,704**		68,636
Exploration Expenditure		**10,3939**		173,500
Travel		**21,353**		-
		331,006		248,911
Total DPG Resources and Pre- exploration expenditures	**$**	**331,006**	$	248,911

16. INCOME TAX

(a) Provision for income taxes

Income taxes differ from the amount that would be computed by applying the combined statutory income tax rates of 26.5% (December 31, 2024 – 26.5%). The reasons for the differences are as follows:

		December 31, 2024		December 31, 2023
Loss for the year before income taxes	**$**	**(931,287)**	$	(688,382)
Expected tax recovery at statutory rates		**(246,791)**		(182,421)
Increase (decrease) resulting from:				
Rate differential on foreign subsidiaries		**(13,107)**		(43,939)
Share-based compensation and non-deductible expenses		**173,058**		139,568
Expiry of non-capital losses, tax rate changes and other adjustments		**(54,926)**		(26,151)
Prior year tax losses used in current year		**(100,075)**		
Change in tax benefits not recognized		**242,472**		115,081
Income tax recovery	**$**	**-**	$	-

(Expressed in Canadian Dollars)

16. INCOME TAX (CONTINUED)

(b) Deferred tax balances

The tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities at December 31, 2023 and 2022 are as follows:

		December 31, 2024		December 31, 2023
Future tax assets:				
Non-capital tax losses carry-forward – Canada	**$**	**2,119,364**	$	1,900,377
Non-capital tax losses carry-forward – Barbados		**3,964**		11,695
Non-capital tax losses carry-forward – Australia		**1,455,077**		717,666
Resource expenditure pools		**1,563,643**		1,563,643
Property, plant, and equipment		**3,472**		3,472
Unrealized gain on short-term investment		**(11)**		(4)
Share issuance costs – 20(1)(e)		**50,706**		6,608
Capital loss carried forward		**131,672**		131,672
Deferred tax assets not recognized		**(5,187,145)**		(4,335,399)
Total future tax assets	**$**	**-**	$	-

The Company has not recognized deferred tax assets because, at present, it is not probable they will be realized.

(Expressed in Canadian Dollars)

16. INCOME TAXES (CONTINUED)

(c) Non-capital losses not recognized for financial statement purposes

The Company has accumulated non-capital losses for income tax purposes which can be carried forward to be applied against future taxable income. The right to use these losses expires as follows:

Canada	Year		Tax losses
	2034	$	306,285
	2035		5,339,737
	2037		291,132
	2038		510,298
	2039		370,116
	2040		213,906
	2041		193,051
	2042		107,699
	2043		133,254
		$	**7,347,257**

Barbados	Year		Tax losses
	2025		6,400
	2026		10,522
	2027		9,980
	2028		12,602
	2029		5,626
	2030		18,469
	2031		8,482
		$	**72,081**

Australia	Year		Tax losses
	Indefinite	**$**	**4,850,256**

Upon dissolution of Chaska Resources S.A.C. during the year ended December 31, 2021, all related non-capital losses of prior years in Peru expired.

17. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2024, the Company granted 2,900,000 stock options to directors, officers and consultants. Each option allows the holder to purchase one common share of the Company at a price of $0.10 per share until March 13, 2028.