

# **Legacy Gold Mines Ltd.**

(formerly Prestwick Capital Corporation Limited)

## **Financial Statements**

**For the years ended December 31, 2024 and 2023**

## Independent Auditors' Report

To: The Shareholders of **Legacy Gold Mines Ltd. (formerly Prestwick Capital Corporation Limited)**

### Opinion

We have audited the financial statements of Legacy Gold Mines Ltd. (formerly Prestwick Capital Corporation Limited) (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023 and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023 in accordance with International Financial Reporting 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and not otherwise addressed in our report. 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.

We have determined that the matter described below to be the key audit matter to be communicated in our auditors' report.

Accounting for option agreement

#### *Description of the matter:*

As disclosed in Notes 1 and 4 to the financial statements, on October 3, 2024 the Company completed a transaction whereby the Company obtained an option to acquire an 100% undivided interest in and to mineral claims.

#### *Why the matter is a key audit matter:*

We determined that auditing the accounting for the option agreement is a key audit matter as the acquisition was significant to the Company and judgement is involved in accounting for the transaction including the determination and measurement of the purchase consideration.

#### *How the matter was addressed in the audit:*

We read the agreement entered into to gain an understanding of the key terms. We assessed the Company's determination that an intangible asset was acquired. We assessed the Company's determination of the completeness of obligations for purchase consideration and the fair value of the shares and warrants issued as part of the purchase consideration. We reviewed the adequacy of the Company's disclosures related to the agreement.

### Information Other than the Financial Statements and Auditors' Report Thereon

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

## Independent Auditors' Report (continued)

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

In connection with our 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 or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' 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 this auditors' 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 these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

## Independent Auditors' Report (continued)

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

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

The engagement partner on the audit resulting in this Independent Auditors' report is Roland A. Bishop, CPA, CA.



Chartered Professional Accountants

March 28, 2025  
Calgary, Alberta

# Legacy Gold Mines Ltd.

(formerly Prestwick Capital Corporation Limited)

Statements of Financial Position

(Expressed in Canadian Dollars)

As at	December 31, 2024	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 2,537,357	\$ 525,797
Prepaid expenses	31,886	1,395
	2,569,243	527,192
<b>Exploration and evaluation asset (note 4)</b>	367,679	-
	<b>\$ 2,936,922</b>	<b>\$ 527,192</b>
 <b>Liability and Shareholders' Equity</b>		
<b>Current liability</b>		
Accounts payable and accrued liabilities	\$ 128,439	\$ 9,500
 <b>Shareholders' equity</b>		
Share capital (note 5)	3,391,788	543,720
Share based payment reserve	416,385	115,238
Deficit	(999,690)	(141,266)
	2,808,483	517,692
	<b>\$ 2,936,922</b>	<b>\$ 527,192</b>

Approved on behalf of the board

(signed) "Brian Hinchcliffe" Director

(signed) "John Gravelle" Director

The accompanying notes are an integral part of these financial statements

## Legacy Gold Mines Ltd.

(formerly Prestwick Capital Corporation Limited)

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

<b>For the years ended</b>	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
<b>Expenses</b>				
Share based compensation	\$	251,786	\$	100,021
Property investigation		169,650		-
Professional fees		119,927		17,473
Management fees		92,590		-
Exploration and evaluation expenditures (note 11)		89,007		-
Regulatory and filing fees		69,239		17,768
Director and advisory fees		41,610		-
Office, IT and administration		32,656		-
<b>Total expenses</b>		<b>866,465</b>		<b>135,262</b>
<b>Interest income</b>		<b>8,041</b>		<b>-</b>
<b>Net and comprehensive loss</b>	\$	<b>858,424</b>	\$	<b>135,262</b>
<b>Basic and diluted loss per share (note 7)</b>	\$	<b>0.11</b>	\$	<b>0.16</b>
<b>Weighted average number of common shares (note 7)</b>		<b>7,766,737</b>		<b>832,877</b>

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

## Legacy Gold Mines Ltd.

(formerly Prestwick Capital Corporation Limited)

Statements of Changes in Equity

(Expressed in Canadian Dollars)

### For the year ended December 31, 2024

	Shares	Share Capital	Share Based Payment Reserve	Deficit	Total
<b>Balance, December 31, 2023</b>	<b>11,050,100</b>	<b>\$ 543,720</b>	<b>\$ 115,238</b>	<b>\$ (141,266)</b>	<b>\$ 517,692</b>
Net and comprehensive loss				(858,424)	(858,424)
Private placement	13,500,000	2,735,250			2,735,250
Acquisition of asset	1,100,000	258,500	22,406		280,906
Share based compensation			251,786		251,786
Offering costs	150,000	(145,682)	26,955		(118,727)
<b>Balance, December 31, 2024</b>	<b>25,800,100</b>	<b>\$ 3,391,788</b>	<b>\$ 416,385</b>	<b>\$ (999,690)</b>	<b>\$ 2,808,483</b>

### For the year ended December 31, 2023

	Shares	Share Capital	Share Based Payment Reserve	Deficit	Total
<b>Balance, December 31, 2022</b>	<b>9,050,100</b>	<b>\$ 452,005</b>	<b>\$ -</b>	<b>\$ (6,004)</b>	<b>\$ 446,001</b>
Net and comprehensive loss				(135,262)	(135,262)
Issuance of common shares	2,000,000	200,000			200,000
Directors' options			100,021		100,021
Offering costs		(108,285)	15,217		(93,068)
<b>Balance, December 31, 2023</b>	<b>11,050,100</b>	<b>\$ 543,720</b>	<b>\$ 115,238</b>	<b>\$ (141,266)</b>	<b>\$ 517,692</b>

The accompanying notes are an integral part of these financial statements

# Legacy Gold Mines Ltd.

(formerly Prestwick Capital Corporation Limited)

Statements of Cash Flows

(Expressed in Canadian Dollars)

<b>For the years ended</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Operating activities</b>		
Net and comprehensive loss	\$ (858,424)	\$ (135,262)
Adjustment for non-cash item		
Share based compensation	251,786	100,021
Change in non-cash working capital items		
Accounts payable and accrued liabilities	118,939	2,717
Prepaid expenses	(30,491)	(1,395)
	(518,190)	(33,919)
<b>Financing activities</b>		
Issuance of share capital	2,700,000	200,000
Offering costs	(83,477)	(78,068)
	2,616,523	121,932
<b>Investing activities</b>		
Acquisition of exploration and evaluation asset	(86,773)	-
	(86,773)	-
Net change during the year	2,011,560	88,013
Cash, beginning of year	525,797	437,784
<b>Cash, end of year</b>	<b>\$ 2,537,357</b>	<b>\$ 525,797</b>

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



## 1. Nature of operations

Legacy Gold Mines Ltd. (formerly Prestwick Capital Corporation Limited) (the “**Company**”) was incorporated under the *Business Corporations Act* (Alberta) on June 4, 2021. The Company maintains its head office at 30<sup>th</sup> Floor, 421 7<sup>th</sup> Avenue SW, Calgary Alberta, T2P 4K9 and its registered office at 1250, 639 - 5th Avenue SW., Calgary, Alberta, T2P 0M9. The Company was originally organized as a Capital Pool Company (“**CPC**”) as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the “**TSXV**”).

On July 24, 2024 the Company entered into a definitive option agreement (the “Option Agreement”) with respect to a transaction (the “Transaction”) whereby the Company obtained an option (the “Option”) to acquire from Champion Electric Metals Inc. (“Champion”) a 100% undivided interest in and to the mineral claims comprising the Baner gold project located in Idaho County, Idaho, USA (the “Baner Gold Project”). The Baner Gold Project is comprised of 215 unpatented lode claims covering approximately 3,818 contiguous acres (1,545 hectares). The Transaction was completed on October 3, 2024 and constituted the Company’s Qualifying Transaction, with the result that the Company is now a Tier 2 mining issuer under the policies of the TSXV under the symbol “LEGY”.

## 2. Basis of presentation

### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on March 25, 2025.

### Going concern

The Company recently began to conduct commercial operations but has not yet begun to generate revenue from its exploration activities. The Company's continuing operations are dependent upon its being successful in its exploration efforts and ultimately develop producing mines. There is no assurance that the Company will be able to identify quantities and qualities of minerals that are economically recoverable. Substantial additional funds for the establishment of the Company’s current and planned mineral exploration and development will be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

### Basis of measurement

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

## **2. Basis of presentation, continued**

### **Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Company's functional currency. 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 period end exchange rates are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## **3. Material accounting policies**

### **Measurement uncertainty**

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 balance sheet date and the reported amounts of revenues and expenses during the period.

The following are the financial statement items which is most impacted by estimation uncertainty and critical judgments in applying the accounting policies.

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

The accounting estimates for share based payments are based on the Black-Scholes option pricing model which was developed for use in estimating the fair value of traded options which are fully tradable with no vesting restrictions. This option valuation model requires the input of subjective assumptions including the expected stock price volatility. Since the Company's options have characteristics significantly different from those of traded options and since changes in the subjective assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The application of the Company's accounting policy for exploration and evaluation assets requires judgement in determining the existence of possible impairment indicators and whether future economic benefits, which are based on assumptions about future events or circumstances, are likely to be received.

### **3. Material accounting policies, continued**

#### **Exploration, evaluation and resource property acquisition costs**

The Company is in the exploration stage with respect to its investment in resource property costs and accordingly follows the practice of capitalizing significant acquisition costs on active exploration properties and expensing exploration and evaluation expenditures. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of an impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognizes, in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount of the mineral properties.

All capitalized acquisition expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

#### **Financial instruments**

##### **Recognition**

The Company recognizes financial assets and financial liabilities when it becomes party to the contractual provisions of the instrument.

##### **Classification**

Financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The classification of subsequently measured at amortized cost is used when the objective of the business model is to hold assets and collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash is classified as a financial asset measured at fair value through profit and loss.

Financial liabilities are classified as subsequently measured at amortized cost, unless they meet the criteria for measurement at fair value or other prescribed measurement.

The Company's accounts payable and accrued liabilities are classified as subsequently measured at amortized cost.

### **3. Material accounting policies, continued**

#### **Measurement**

Financial assets and financial liabilities classified as subsequently measured at amortized cost are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset or issue of the financial liability. Subsequently the financial assets and liabilities are measured at amortized cost using the effective interest rate method.

#### **Impairment**

Financial assets classified as subsequently measured at amortized cost or fair value through other comprehensive income reflect the Company's assessment of expected credit losses. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **Earnings per share**

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share is calculated by dividing earnings attributable to the equity shareholders by the weighted average number of common shares outstanding during the period. Shares held in escrow until the Company completes a Qualifying Transaction are considered contingently returnable and, accordingly, are not considered to be outstanding shares for purposes of the calculation. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share based payments using the treasury stock method. Under this method, stock options, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds used to repurchase common shares at the average market price for the period.

#### **Income taxes**

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the statement of financial position are used to calculate deferred income tax liabilities or assets. Deferred income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### **3. Material accounting policies, continued**

#### **Share based payments**

Share based payments to employees are measured at the fair value of the equity instruments granted and amortized over the vesting period. Share based payments to non-employees are measured at the fair value of the good or service received or the fair value of the equity instruments issued if it is determined that the fair value of the good or service cannot be measured reliably, and are recorded at the date the good or service is received. The corresponding amount is recorded to an equity reserve. The Company estimates the fair value of options using the Black-Scholes option pricing model.

#### **Accounting standards issued but not yet adopted**

IFRS 18 Presentation and disclosure in the financial statements (replacement of IAS 1)

This new standard maintains many of the current requirements for the presentation of financial statements and adds new requirements concerning the statement of profit or loss, management-defined performance measures, and the principles of aggregation and disaggregation of information. The new requirements concerning the statement of profit or loss include requiring entities to classify income and expenses included in the statement of profit or loss in one of five categories (operating, investing, financing, income taxes, discontinued operations), and prescribing that subtotals for operating profit or loss and profit or loss before financing and income taxes are presented. The new requirements concerning management-defined performance measures involve explanation of the purpose, calculation of, and reconciliation to the most closely related performance measure prescribed in an IFRS accounting standard, of performance measures used in public communications by entities outside of the financial statements that are not a measure specifically required to be presented or disclosed by an IFRS accounting standard.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted.

The Company is assessing the impact of the new standard on its financial statements.

Other new accounting standards and amendments to existing standards that have been issued and that the Company will be required to adopt in future years are either not applicable or are not expected to have a significant impact on the Company's financial statements.

#### 4. Exploration and evaluation asset

	December 31, 2024	December 31, 2023
<b>Baner Gold Project, acquisition costs</b>		
Cash payments <sup>1</sup>	\$ 86,773	\$ -
Share and share based payments	280,906	-
Total	\$ 367,679	\$ -

<sup>1</sup> Cash payments consisted of a payment of \$75,000 to Champion on closing of the Transaction and legal costs.

##### Baner Gold Project, Idaho, USA

On October 3, 2024 the Company completed the Transaction whereby the Company acquired the Option from Champion to acquire a 100% undivided interest in and to the mineral claims comprising the Baner Gold Project located in Idaho County, Idaho, USA, subject to the terms of the Option. The Baner Gold Project is comprised of 215 unpatented lode claims covering approximately 3,818 contiguous acres (1,545 hectares).

On completion of the Transaction, the Company paid or issued (as applicable) to Champion, \$75,000, 1.1 million common shares of the Company and warrants to purchase up to 200,000 common shares of the Company at \$0.30 per share for 2 years from the date of issuance. Under the terms of the Option Agreement, in order to exercise the Option and keep it in good standing, the Company will be required to make additional cash payments and issue securities as follows:

1. Paying or issuing (as applicable) to Champion within 18 months from the completion of the Transaction (“Payment #1 Date”):
  - a. \$350,000;
  - b. 200,000 common shares; and
  - c. warrants to purchase up to 200,000 common shares at the last closing price for the common shares prior to the date of issuance, for two (2) years from the date of issuance.
2. Paying or issuing (as applicable) to Champion within 12 months from the Payment #1 Date:
  - a. \$500,000; and
  - b. warrants to purchase up to 200,000 common shares at the last closing price for the common shares prior to the date of issuance, for two (2) years from the date of issuance.

Upon satisfaction of the payments and securities issuances above, the Option will be deemed to be exercised and a 100% undivided interest in the Baner Gold Project will be transferred to the Company, free and clear of all encumbrances, subject to a 1% net smelter return royalty (the “NSR”) in favour of Champion. The Company may buy-back the NSR in consideration for payment of \$7.5 million to Champion.

## 5. Share capital

### Authorized

Unlimited number of Common shares

### Share issuance detail

On October 3, 2024 the Company completed the Transaction to obtain the Option. On completion of the Transaction the Company issued to Champion 1.1 million common shares of the Company. In conjunction with the Transaction, the Company also completed a private placement of 13,500,000 subscription receipts at \$0.20 per subscription receipt, and on completion of the Transaction, those subscription receipts automatically converted into 13,500,000 common shares of the Company, resulting in gross proceeds of \$2,700,000 being released to the Company (the “Private Placement”).

On August 1, 2023 the Company completed its initial public offering (“IPO”) and issued for cash consideration 2,000,000 shares, at a price of \$0.10 per share, for total gross proceeds of \$200,000.

### Escrowed shares

Pursuant to an escrow agreement dated May 12, 2023 between the Company, Alliance Trust Company and certain shareholders of the Company, and in connection with the IPO, 9,050,100 of the issued and outstanding common shares of the Company held by founders of the Company were deposited in escrow. Upon the completion of the Transaction, the TSXV issued a bulletin announcing the final acceptance, and 25% of the common shares held pursuant to the escrow agreement were immediately released. Every six months following the initial release an additional 25% will be released.

These common shares were considered contingently returnable until the Company completed its Qualifying Transaction and, accordingly, were not considered to be outstanding shares for purposes of the calculation of loss per share prior to October 3, 2024.

Pursuant to an escrow agreement dated October 3, 2024 between the Company, Alliance Trust Company and Champion, the 1,100,000 common shares issued to Champion upon such closing have been deposited in escrow and will be released on the earlier of (i) completion of Payment #1, and (ii) termination of the Option Agreement.

Pursuant to an escrow agreement dated October 3, 2024 between the Company, Alliance Trust Company and a director and shareholder of the Company, 150,000 of the issued and outstanding common shares were deposited in escrow. Upon the completion of the Transaction, the TSXV issued a bulletin announcing the final acceptance, and 10% of the common shares held pursuant to the escrow agreement were immediately released. Every six months following the initial release an additional 15% will be released.

There were 8,022,575 common shares subject to escrow at December 31, 2024 (2023 – 9,050,100).

## 5. Share capital, continued

### Stock Options

The Company has adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors may from time to time, in its discretion, and in accordance with requirements of applicable regulatory authorities, grant to directors, officers, employees and consultants to the Company, nontransferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares.

The Board of Directors determines the exercise price per common shares, the number of options granted to individual directors, officers, employees and consultants and all other terms and conditions of the options. The Option Plan is subject to regulatory approval.

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

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2022	-	
Granted (ii)	1,105,000	\$0.10
Balance, December 31, 2023	1,105,000	\$0.10
Granted (i)	1,020,000	\$0.58
Forfeited	(276,250)	\$0.10
Balance, December 31, 2024	1,848,750	\$0.36

- i. On November 19, 2024, the Company granted incentive stock options to certain officers, directors and consultants to acquire, in aggregate, 1,020,000 common shares at a price of \$0.58 per share, with an expiry date of November 19, 2029, vesting one-half immediately and the remaining one-half on November 19, 2025. The resulting fair value of \$251,786 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; a risk-free interest rate of 3.13%, an expected life of 5 years and a forfeiture rate of nil.
- ii. Upon closing of its IPO, the Company granted incentive stock options to certain officers and directors to acquire, in aggregate, 1,105,000 common shares at a price of \$0.10 per share, with an expiry date of August 1, 2033. The resulting fair value of \$100,021 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; a risk-free interest rate of 3.57%, an expected life of 10 years and a forfeiture rate of nil.



## 5. Share capital, continued

The following table reflects the stock options outstanding as at December 31, 2024:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Stock Options Outstanding	Stock Options Exercisable
October 3, 2025	\$0.10	0.75 years	828,750	828,750
November 19, 2029	\$0.58	4.88 years	1,020,000	510,000
	\$0.36	2.32 years	1,848,750	1,338,750

### 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, December 31, 2022	-	
Granted (iii)	200,000	\$0.10
Balance, December 31, 2023	200,000	\$0.10
Granted (i)(ii)	400,000	\$0.25
Balance, December 31, 2024	600,000	\$0.20

- i. On the closing of the Transaction, the Company granted Champion non-transferable common share purchase warrants to purchase 200,000 common shares at a price of \$0.30 per common share, with an expiry date of October 3, 2026. The resulting fair value of \$22,406 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 3.13%, an expected life of 2 years and a forfeiture rate of nil.
- ii. In connection with the closing of the Private Placement, the Company granted to finders, non-transferable common share purchase warrants to purchase 200,000 common shares at a price of \$0.20 per common share, with an expiry date of October 4, 2026. The resulting fair value of \$26,955 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 3.13%, an expected life of 2 years and a forfeiture rate of nil.
- iii. In connection with the closing of its IPO, the Company granted the agent for the IPO, non-transferable common share purchase warrants to purchase 200,000 common shares a price of \$0.10 per common share, with an expiry date of August 1, 2028. The resulting fair value of \$15,217 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 3.8%, an expected life of 5 years and a forfeiture rate of nil.

## 5. Share capital, continued

The following table reflects the warrants options outstanding as at December 31, 2024:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding and Exercisable
October 3, 2026	\$0.30	1.75 years	200,000
October 4, 2026	\$0.20	1.75 years	200,000
August 1, 2028	\$0.10	3.58 years	200,000
	\$0.20	2.36 years	600,000

## 6. Income taxes

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate 23.0% as follows:

<b>For the year ended</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Loss for the period before income taxes	\$ (858,424)	\$ (135,262)
Anticipated income tax recovery	(197,438)	(31,110)
Non-deductible expenses	57,911	23,005
Tax losses that do not meet the criteria for recognition	139,527	8,105
	\$ -	\$ -

Deferred tax assets have not been recognized in respect of the Company's non-capital losses of \$453,322 (2023 – \$57,091). The non-capital losses expire in 2041 thru 2044.

The significant components of the Company's deferred income taxes as at December 31, 2024 and 2023:

<b>Deferred income tax asset</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Foreign exploration and evaluation	\$ 52,291	\$ -
Share issue costs	32,649	13,108
Non-capital losses carried forward	104,264	14,415
Deferred tax assets not recognized	(189,204)	(27,523)
	\$ -	\$ -

## 7. Loss per share

Basic loss per share amounts are calculated by dividing net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of common shares outstanding during the period.

The following reflects the loss and unit data used in the basic and diluted loss per share computations:

<u>Year ended</u>	<u>December 31, 2024</u>
Net loss available to common shareholders (numerator)	\$ (858,424)
Effect of shares outstanding during the year	14,610,100
<u>Effect of escrowed shares</u>	<u>(6,843,363)</u>
Weighted average number of common shares	7,766,737
<u>Loss per share (basic and diluted)</u>	<u>\$ (0.11)</u>

<u>Year ended</u>	<u>December 31, 2023</u>
Net loss available to common shareholders (numerator)	\$ (135,262)
Effect of shares outstanding during the year	9,882,977
<u>Effect of escrowed shares</u>	<u>(9,050,100)</u>
Weighted average number of common shares	832,877
<u>Loss per share (basic and diluted)</u>	<u>\$ (0.16)</u>

The Company has excluded potential common share equivalents, comprised of incremental shares from stock options calculated using the treasury method from the loss per share calculation, as they were anti-dilutive.

## 8. Financial instruments

The Company's financial instruments, consisting of cash and accounts payable and accrued liabilities, approximate fair value due to the relatively short maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, or credit risks arising from these instruments.

### Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Accounts payable generally have contractual maturities of less than thirty days and are subject to normal trade terms.

## 8. Financial instruments, continued

### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company is exposed to currency risk on U.S. dollar denominated trade payables related to its U.S. exploration operations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk, however exchange rates are continually monitored for any significant changes. A portion of the Company's exploration expenses are paid in USD and in order to reduce its currency risk related to the CAD, the Company has converted a portion of its CAD cash balances into USD, subsequent to year end. The Canadian dollar equivalent carrying amounts of the Company's U.S. dollar denominated accounts payable and accrued liabilities at December 31, 2024 was \$52,144 (2023 - \$nil).

## 9. Capital management

The Company defines capital as total equity which was \$2,808,483 at December 31, 2024 (2023 - \$517,692). The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern and to have sufficient capital to be achieve its ongoing business objectives including funding of future exploration and development activities.

The Company does not have any externally imposed capital requirements to which it is subject.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

## 10. Related party transactions and balances

<b>Key management personnel compensation</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Management fees	\$ 92,590	\$ -
Director and advisory fees	41,610	-
Share-based compensation	172,793	100,021
	<u>\$ 306,993</u>	<u>\$ 100,021</u>

A founder of the law firm Modern Finance Law was, until October 3, 2024, a director of the Company. During the year ended December 31, 2024, the Company incurred professional fee expenses of \$82,713 (2023 - \$nil) and offering costs of \$31,786 (2023 - \$nil) for professional services rendered by Modern Finance Law.

At December 31, 2024 \$30,613 (December 31, 2023 - \$nil) is payable to related parties and is included in accounts payable and accrued liabilities.

**11. Exploration expenses**

<b>For the year ended</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Baner Gold Project</b>		
Geological consulting	\$ 69,022	\$ -
Site rental	10,344	-
Field supplies	4,618	-
Lab processing	3,715	-
Camp support	1,308	-
Total	\$ 89,007	\$ -

**12. Subsequent event**

On January 13, 2025, the Company granted incentive stock options to a newly appointed director to acquire, in aggregate, 125,000 common shares at a price of \$0.39 per share, with an expiry date of January 13, 2030, vesting one-half immediately and the remaining one-half on January 13, 2026.