NOBLE METAL GROUP INCORPORATED

Financial Statements

Years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

NOBLE METAL GROUP INCORPORATED

Index to Financial Statements

(Expressed in Canadian Dollars)

NOBLE METAL GROUP INCORPORATED
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31, 2024 and 2023

		2024		**2023**
ASSETS				
Current				
Cash	$	623	$	466
GST recoverable		222		1,755
Investments		1		1
Total Current Assets		846		2,222
Reclamation deposits		40,000		40,000
Equipment		15,171		17,331
Exploration and evaluation assets (Note 5)		5,912,269		5,891,671
TOTAL ASSETS	$	5,968,286	$	5,951,224
LIABILITIES AND DEFICIT				
Current				
Accounts payable and accrued liabilities	$	87,491	$	117,479
Directors' and shareholders' loans (Note 6)		622,953		540,804
Gold contracts payable (Notes 6 and 7)		4,652,392		7,249,548
Total Current Liabilities		5,362,836		7,907,831
Gold contracts payable (Notes 6 and 7)		4,927,356		-
TOTAL LIABILITIES		10,290,192		7,907,831
Shareholders' deficit				
Share capital (Note 8)		15,288,546		15,288,546
Contributed surplus		2,013,113		2,013,113
Accumulated other comprehensive loss		(491)		(491)
Accumulated deficit		(21,623,074)		(19,257,775)
Total shareholders' deficit		(4,321,906)		(1,956,607)
TOTAL LIABILITIES AND DEFICIT	$	5,968,286	$	5,951,224

Going Concern (Note 2c)

Approved and authorized by the Board on October 14, 2025.

"Dorothy Dennis" Director *"Scott Thomson"* Director

The accompanying notes are an integral part of these financial statements

NOBLE METAL GROUP INCORPORATED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
Years ended December 31, 2024 and 2023

		2024		2023
Administrative expenses				
Automobile and travel	$	1,078	$	1,010
Bank charges and interest		326		472
Depreciation		2,160		2,498
Office facilities, services and supplies		6,372		7,402
Professional fees		41,870		35,511
Transfer agent, filing and exchange fees		6,751		9,750
		(58,557)		(56,643)
Other income (expenses)				
Other income – Tax refunds		222		8,190
Foreign exchange gain		-		(3)
Gain – accounts payable		-		11,647
Interest income		1,236		961
Gain on sale of assets		22,000		-
Gain on written off of gold contracts payable (Note 7)		293,813		493,568
Unrealized loss on gold contracts payable (Note 7)		(2,624,013)		(725,780)
Loss and comprehensive loss for the year	$	(2,365,299)	$	(268,060)
Basic and diluted loss per share	$	(0.02)	$	(0.00)
Weighted average number of shares outstanding				
Basic and diluted		110,332,631		110,332,631

The accompanying notes are an integral part of these financial statements

NOBLE METAL GROUP INCORPORATED
STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Expressed in Canadian Dollars)
Years ended December 31, 2024 and 2023

	Common shares					
	Number	*Amount*	*Contributed Surplus*	*Accumulated Other Comprehensive Loss*	*Accumulated Deficit*	*Shareholders' Deficit*
Balance at December 31, 2022	102,483,356	$ 15,052,310	$ 1,540,640	$ (491)	$ (18,989,715)	$ (2,397,256)
Loss and comprehensive loss for the year	-	-	-	-	(268,060)	(268,060)
Issuance of Common Shares for Settlement of debt	23,623,631	236,236	472,473	-	-	708,709
Balance at December 31, 2023	126,106,987	$ 15,288,546	$ 2,013,113	$ (491)	$ (19,257,775)	$ (1,956,607)
Loss and comprehensive loss for the year	-	-	-	-	(2,365,299)	(2,365,299)
Balance at December 31, 2024	126,106,987	$ 15,288,546	$ 2,013,113	$ (491)	$ (21,623,074)	$ (4,321,906)

The accompanying notes are an integral part of these financial statements

NOBLE METAL GROUP INCORPORATED
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
Years ended December 31, 2024 and 2023

		2024		2023
Cash flows from operating activities				
Loss for the year	$	(2,365,299)	$	(268,060)
Less: Items not affecting cash				
Depreciation		2,160		2,488
Gain on written off of gold contracts payable		(293,813)		(493,568)
Unrealized loss on gold contracts payable		2,624,013		725,780
Changes in non-cash working capital				
GST tax recoverable		1,533		(1,447)
Accounts payable and accrued liabilities		(29,988)		(2,648)
Total cash used in operating activities		(61,394)		(37,455)
Cash flows from investing activities				
Mineral and deferred exploration expenditures		(20,598)		(35,331)
Total cash used in investing activities		(20,598)		(35,331)
Cash flows from financing activities				
Repayment of directors' and shareholder's loans		(22,407)		(9,818)
Receipt of directors and shareholder loans		104,556		82,729
Total cash provided by financing activities		82,149		72,911
Net increase in cash during the year		157		125
Cash, beginning of the year		466		341
Cash, end of the year	$	623	$	466

The accompanying notes are an integral part of these financial statements

1. CORPORATE INFORMATION

Noble Metal Group Incorporated ("NMG" or the "Company") is a junior resource public company incorporated under the laws of the province of British Columbia, Canada. The Company's shares are listed on the NEX Exchange ("NEX H") under the trading symbol "NMG.H". Its principal business activity is the exploration and development of mineral properties.

The Company's registered office is located at PO Box 1145, Vedder Crossing1, Chilliwack, British Columbia, Canada, V2R 3N7.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

2. BASIS OF PREPARATION

a) Statement of Compliance

These financial statements, including comparatives have been prepared using accounting policies consistent with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on October 14, 2025.

b) Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for classified financial instruments which are measured at fair value ("FVTPL") and fair value through other comprehensive income ("FCTOCI"), as explained in the accounting policies set out in Note 3.

c) Going Concern

These financial statements have been prepared assuming the Company will continue on a going concern basis. During the year ended December 31, 2024, the Company incurred a loss and comprehensive loss of $2,365,299 (2023 - $268,060) used cash of $61,394 (2023 - $37,455) in operating activities, and as at that date, the Company had an accumulated deficit of $21,623,074 (2023 - $19,257,775) its current liabilities exceed its current assets by $5,361,990 (2023 - $7,905,609).

These financial statements have been prepared on a going concern basis which assumes that the Company will continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no revenue and has incurred losses since its inception. The ability of the Company to continue as a going concern depends upon its ability to work with the gold contract holders, and to raise adequate financing to maintain operations. The Company may not have sufficient cash resources to meet its obligations for the upcoming year, and there may be a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These statements do not reflect adjustments to carrying values and classifications of the assets and liabilities that might be necessary should the Company be unable to continue realizing its assets and discharging its liabilities in the normal course of business.

3. MATERIAL ACCOUNTING POLICIES

Adoption of New Accounting Standards and New Accounting Pronouncements

The Company adopted the following new accounting standards effective January 1, 2024, which had no material impact on the financial statements:

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non - current based on contractual arrangements in place at the reporting date.

3. MATERIAL ACCOUNTING POLICIES (Continued)

These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively.

There was no impact on the Company's financial statements upon the adoption of these amendments.

Accounting Pronouncements Not Yet Adopted

The following amendments to existing standard have been issued and are applicable by the Company for its annual period beginning on January 1, 2024 and thereafter, with an earlier application permitted:

IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact of adopting this new pronouncement and does not expect the adoption of this amendment to have a material impact on its financial statements.

Cash

Cash consists of cash on deposit with banks.

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in mineral interests. Accordingly, once a license to explore an area has been secured, the Company follows the practice of capitalizing all costs relating to exploration and evaluation activities and crediting all proceeds received against the cost of the related interests upon disposal. Such costs include, but are not limited to, geological and geophysical studies, exploratory drilling and sampling programs. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs, related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined there is evidence of a permanent impairment.

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

Upon transfer of exploration and evaluation costs into mine development, all subsequent expenditures on the construction, installation or completion of infrastructure facilities are capitalized within mine development. After production starts, all assets included in mine development costs are transferred to producing mines.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of Non-Financial Assets

The Company reviews and evaluates its exploration and evaluation assets, and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flow estimates are based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss. An impairment loss is reversed if there is an indication that 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.

Decommissioning liabilities

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of equipment and mineral properties when those obligations result from the acquisition, construction, development or normal operation of associated assets. The net present value of future retirement cost estimates arising from the decommissioning of assets is capitalized to the associated asset along with a corresponding increase in the retirement obligation in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The retirement asset is depreciated on the same basis as the associated assets.

The Company's estimates of decommissioning liabilities could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the associated asset with a corresponding entry to the retirement provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged against Evaluation and Exploration Assets for the period. The net present value of restoration costs that is incurred on an on-going basis during production are charged to Evaluation and Exploration Assets in the period incurred.

Future asset retirement obligations are only recorded when the timing or amount of remediation costs can be reasonably estimated.

Based on the assessment, the Company did not have any material decommissioning liabilities at the reporting dates.

Mining Exploration Tax Credits

Mining tax credits are recorded as a reduction of the related exploration and evaluation assets upon receipts from the Canada Revenue Agency ("CRA"). These non-repayable mining credits are earned in respect to exploration costs incurred in British Columbia, Canada and are recorded as a reduction of the related exploration expenditures.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Gold Contracts Payable

Gold contracts payable is valued at the market price of gold less 12% to 20% as set out in the respective agreements plus refining costs of any gold. Gains or losses on gold contracts payable are included in the statements of operations and comprehensive loss.

When contracts expired, management would renew the contracts with creditors. When the Company is unable to renew the contracts of deceased investors with the representatives of their legal estates, and the contracts have passed the limitation period according to the British Columbia Limitation Act, the Company estimates its liability for the gold contracts payable under three scenarios: 1) the contracts will be successfully renewed; 2) the contracts could not be renewed are expected to be settled under the original terms of the most recent agreement; 3) the contracts that could not be renewed and are not expected to be settled are written off.

Loss per Share

Basic net earnings or loss per share is calculated by dividing the net loss for the year by the weighted average shares outstanding as of the year end. Diluted net earnings or loss per share is calculated using the treasury stock method by dividing net loss by the diluted weighted average shares outstanding for the period. Options under the share-based payment plan that have a dilutive impact are assumed to have been exercised on the date granted and are included in the diluted weighted average shares.

Foreign Currency Transactions

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, and expense are translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in the statements of operations and comprehensive loss in the current year.

Financial instruments

<u>Recognition and Derecognition</u>
Trade receivables and debt securities issued are initially recognized when originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expires.

<u>Classification and initial measurement of financial assets</u>
A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as subsequently measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or FVTPL.

The classification is determined by both the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Subsequent measurement of financial assets
Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at FVTPL

Financial assets that are held within a different business model than ‘hold to collect’ or ‘hold to collect and sell’, and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at FVOCI

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (“OCI”) will be recycled upon derecognition of the asset.

Classification and initial measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

The classification of the Company’s financial instruments is as follows:

	Classification
Financial Assets	
Cash	Amortized cost
Reclamation deposits	Amortized cost
Investments	FVTPL

3. MATERIAL ACCOUNTING POLICIES (Continued)

	Classification
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Directors' and shareholders' loans	Amortized cost
Gold contracts payable	FVTPL

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to 12 months of expected credit losses. For trade receivables, the Company applies the simplified approach to providing for expected credit losses, which allows for the use of a lifetime expected credit loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and is related to an event occurring after the impairment was recognized.

4. ESTIMATES, ASSUPTIONS AND MEASUREMENT UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event actual results differ from assumptions made, relate to, but are not limited to, the following:

- **Impairment of exploration and evaluation assets**
  Non-financial assets are evaluated at the end of each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, where the recoverable amount of the CGU is the greater of the CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments to the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the profit or loss.

  Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in the profit or loss.

  Management has determined that exploratory drilling, evaluation and related costs incurred that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological information, scoping, feasibility studies, accessible facilities and existing permits.

(Expressed in Canadian Dollars)

4. ESTIMATES, ASSUPTIONS AND MEASUREMENT UNCERTAINTY (Continued)

- **Going concern assumption**
  The assessment of the Company's ability to execute its strategy and finance the operations through achieving positive cash flow from operations or by obtaining additional funding through the issuance of share capital involves judgment. Management monitors future cash requirements to assess the Company's ability to realize assets and discharge its liabilities in the normal course of operations (see Note 2c).

5. EXPLORATION AND EVALUATION ASSETS

	December 31, 2022	Additions	December 31, 2023	Additions	Recovery	December 31, 2024
a) Placer Mining Properties, Cariboo Mining Division, British Columbia						
Acquisition	$ 1,028,229	$ -	$ 1,028,229	$ -	$ -	$ 1,028,229
Exploration	3,103,082	2,483	3,105,565	4,227	-	3,109,792
Impairment	(1,594,585)	-	(1,594,585)	-	-	(1,594,585)
	2,536,726	2,483	2,539,209	4,227	-	2,543,436
b) Cariboo Mineral Claims, Cariboo Mining Division, British Columbia						
Acquisition	3,027	-	3,027	-	-	3,027
Exploration	6,744,154	32,848	6,777,002	29,377	(13,006)	6,793,373
Impairment	(3,427,567)	-	(3,427,567)	-	-	(3,427,567)
	3,319,614	32,848	3,352,462	29,377	(13,006)	3,368,833
Total	$ 5,856,340	$ 35,331	$ 5,891,671	$ 33,604	$ (13,006)	$ 5,912,269

The Cariboo mineral claims and placer mining leases are controlled 100% by the Company and are contiguous.

The exploration and evaluation costs additions included below:

	2024	2023
Fuel	$ 191	$ 319
Geological and geophysical	24,157	29,270
Operating and camp supplies	1,759	1,015
Permits, licenses and fees	7,497	4,727
Total exploration and evaluation costs additions	$ 33,604	$ 35,331

The Company holds reclamation deposits that are not available for general use by the Company. The deposits are for 12 months, renewable annually. The issue date was July 6, 2024, the date of maturity is July 6, 2025. Renewal to be determined prior to maturity. As of December 31, 2024, the Company has deposits of $40,000 (2023 - $40,000).

As at December 31, 2024, the total recovery is $13,006 (2023 - $nil), and $9,181 (2023 - $nil) pertains to the mining tax credits.

As at December 31, 2024 and 2023, the Company determined there were no indicators of impairment to its Exploration and Evaluation assets.

(Expressed in Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

Related party transactions and balances not disclosed elsewhere in these financial statements are as follows:

		2024		2023
a) Directors and former directors' loans, bearing no interest	$	330,702	$	260,280

All amounts due to related parties are unsecured and have no specified terms of repayment.

b) Gold contracts payable to directors (Note 7)	$	2,578,635	$	1,872,314

The above transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. GOLD CONTRACTS PAYABLE

At December 31, 2024, the Company had outstanding agreements to deliver 2,974 troy ounces of raw gold (2023 – 3,102 troy ounces) in consideration for unsecured advances. During the years ended December 31, 2024 and 2023, no gold purchase agreements were entered into and during the year ended December 31, 2024, the Company wrote off 128 ounces of gold purchase contracts with payable amount of $336,055 according to the 2-year statute barred period assessment of BC Limitation Act.

These liabilities have been recorded in the accounts based on the current value of gold discounted between 12% and 20% as specified in the gold contracts.

		2024		2023
Total troy ounces of raw gold		2,974		3,102
Balance as at beginning of year	$	7,249,548	$	7,017,336
Increase in fair value of gold payable		2,624,013		725,780
Written off of gold contracts payable		(293,813)		(493,568)
Balance as at end of year		9,579,748		7,249,548
Current portion		4,652,392		7,249,548
Long term portion	$	4,927,356	$	-

The Company recorded a loss of $2,624,013 on gold contracts payable during the year ended December 31, 2024 (2023 – loss of $725,780). The measurement of the gold payable is based on the troy ounces of gold multiplied by the forward price of gold as of each reporting period less a discount in the amount of 12% to 20% in the respective contracts, with gain or loss recognized in profit or loss.

8. SHARE CAPITAL

a) Authorized:

Unlimited common shares – without par value.

b) Issued Shares:

As at December 31, 2024, there were 126,106,987 common shares (2023: 126,106,987) issued and outstanding.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

c) Warrants:

As at December 31, 2024 and 2023, no warrants were issued or outstanding.

d) Stock options

The Company's 2014 rolling stock option plan provides for the grant of incentive stock options for up to 10% of the number of common shares issued and outstanding. Participants may be employees, consultants, directors and officers of the company. Options can be granted for a term of up to five years from the date of grant. Stock options granted generally vest over a period of four months from the date of grant.

The Company measures compensation costs relating to stock options granted to employees and non-employees using the fair value-based method. Under this method, the compensation costs are determined based on the fair value of the options at the date granted using the Black-Scholes option-pricing model.

As at December 31, 2024 and 2023, no stock options were issued or outstanding.

9. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations for the years ended December 31, 2024 and 2023:

		2024		2023
Loss before taxes	$	(2,365,299)	$	(268,060)
Statutory tax rate		27.00%		27.00%
Expected income tax recovery		(638,631)		(72,377)
Provision to return adjustments and other		127,943		(219)
Change in deferred tax assets not recognized		510,688		72,596
Total income tax expense recovery (expense)	$	-	$	-

The unrecognized deductible temporary differences as at December 31, 2024 and 2023 are comprised of the following:

		2024		2023
Non-capital loss carry-forwards	$	1,098,367	$	1,662,733
Equipment		431,003		428,852
Exploration and evaluation assets		520,241		529,463
Gold contracts payable		8,261,336		5,806,304
BC Exploration Tax Credit		7,832		-
Unrecognized deductible temporary differences	$	10,318,779	$	8,427,352

The Company has non-capital loss carry forwards, for which no deferred tax asset has been recognized of approximately $1,098,367 (2023: $1,662,733) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	Total
2030	22,206
2031	247,459
2032	196,167
2033	101,938
2034	110,901

(Expressed in Canadian Dollars)

9. INCOME TAXES (Continued)

2035		-
2036		74,598
2037		56,295
2038		49,463
2039		-
2040		55,632
2041		46,657
2042		50,925
2043		53,187
2044		32,939
TOTAL	$	1,098,367

10. FINANCIAL INSTRUMENTS

Capital Management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its resource properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In management of capital, the Company includes the components of shareholders' deficit and gold contract payables.

The Company manages the capital structure and makes adjustments in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into a joint venture property arrangement, acquire or dispose of assets or adjust the amount of cash. The Company does not have any major capital expenditures committed for the current year.

Management reviews the capital structure on a regular basis to ensure the above-noted objectives are met. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023.

The Company is dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to settle liabilities when due. As at December 31, 2024, the Company has cash balances of $623 (2023 - $466) to settle accounts payable and accrued liabilities of $87,491 (2023 - $117,479), directors' and shareholders' loans of $622,953 (2023 - $540,804), and gold contracts payable of $9,579,748 (2023 - $7,249,548). The Company currently does not have sufficient funds to sustain operations. The Company will need additional funding to meet working capital and mineral property requirements.

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 commodity prices.

10. FINANCIAL INSTRUMENTS(Continued)

- Interest rate risk

The Company is not exposed to significant interest rate risk.

- Foreign currency risk

As at December 31, 2024, the Company's expenditures are primarily in Canadian dollars and any future equity raised is expected to be predominantly in Canadian dollars. The Company believes it is not exposed to significant foreign exchange rate risk.

- Commodity price risk

The fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. Profitability of the Company depends on metal prices for gold. Gold price is affected by numerous factors such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the United States dollar and other foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world.

As part of the Company's gold contract payable financing, the Company has commitments for future delivery of 2,974 troy ounces (2023 – 3,102 troy ounces) of raw gold in consideration for unsecured advances.

The carrying values of the Company's gold contracts payable are subject to increase or decrease depending on the price of gold and the exchange rate between the Canadian/US dollar and London Gold Fix at Year End that may impact earnings. This impact would have no effect on cash flows until the Company is to deliver the underlying commodity (gold). The Company believes it is not exposed to significant foreign exchange rate risk other than in gold contracts payable.

<u>Fair value hierarchy</u>

Financial instruments recorded at fair value are measured using a three-level fair value hierarchy:

Level 1	Fair value is determined by reference to quoted prices in active markets for identical assets and liabilities
Level 2	Fair value is determined based on inputs other than quoted prices for which all significant inputs are observable, either directly or indirectly
Level 3	Fair value is determined based on inputs that are unobservable and significant to the overall fair value measurement

Financial instruments measured at fair value through profit and loss include investments that are grouped into level 1 and gold contracts payable which is grouped into level 2.

Financial instruments that are not measured at fair value on the balance sheet are cash, reclamation bonds, accounts payable and accrued liabilities and directors' and shareholders' loans. The fair value of these financial instruments approximates their carrying value due to their limited term nature.