Chesapeake Gold Corp.

Condensed Consolidated Interim Financial Statements
For the Three and Six Months Ended June 30, 2025 and 2024
(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

Chesapeake Gold Corp.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

		As at	
	Note	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	6	$ 12,141	$ 10,989
Other receivables and prepaid expenses	5	422	517
Total current assets		12,563	11,506
Long-term investments	6,7	639	636
Other receivables – VAT		978	881
Exploration and evaluation assets	8	150,482	147,832
Equipment	9	39	44
Reclamation bonds		440	384
Total assets		$ 165,141	$ 161,283
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6, 12	$ 1,525	$ 2,090
Total current liabilities		1,525	2,090
Deferred income tax liabilities		10,293	10,293
Decommissioning obligation		364	371
Total liabilities		12,182	12,754
Shareholders' equity			
Share capital	10	241,943	237,503
Reserves		30,423	28,954
Deficit		(121,749)	(120,287)
Shareholders' equity – attributable to the shareholders		150,617	146,170
Non-controlling interest ("NCI")		2,342	2,359
Total shareholders' equity		152,959	148,529
Total liabilities and shareholders' equity		$ 165,141	$ 161,283

Nature of operations (Note 1)

Approved by the Board of Directors

"P. Randy Reifel"
Director

"Jeff Stieber"
Director

Chesapeake Gold Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - amounts expressed in thousands of Canadian dollars, except per share amounts)

	Notes	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
General and administration expenses					
Depreciation	9	$ (3)	$ (5)	$ (6)	$ (9)
Exploration		(35)	(54)	(60)	(56)
General and administrative	12	(593)	(524)	(1,027)	(979)
Management fees	12	(63)	(62)	(125)	(125)
Professional fees	12	(288)	(449)	(417)	(742)
Share-based compensation expense	11, 12	(77)	(204)	(156)	(427)
Total general and administration expenses		(1,059)	(1,298)	(1,791)	(2,337)
Other income (expense)					
Finance income		52	179	114	598
Finance costs		-	(1)	-	(1)
Foreign exchange loss		(7)	(8)	(32)	(29)
Unrealized gain (loss) on long-term investments	7	(93)	120	22	138
Other income		193	8	193	18
Total other income		145	298	297	724
Net Loss		(914)	(1,000)	(1,494)	(1,613)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to net loss:					
Cumulative translation adjustment		671	(2,175)	1,328	(999)
Total comprehensive loss		(243)	(3,175)	(166)	(2,612)
Net loss attributable to					
Shareholders of the Company		(889)	(943)	(1,462)	(1,517)
Non-controlling interest		(25)	(57)	(32)	(96)
Total net loss		(914)	(1,000)	(1,494)	(1,613)
Other comprehensive income (loss) attributable to					
Shareholders of the Company		671	(2,175)	1,328	(999)
Non-controlling interest		-	-	-	-
Total other comprehensive income (loss)		671	$ (2,175)	1,328	$ (999)
Loss per share – basic and diluted		$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)
Weighted average shares outstanding (000's) – basic and diluted		68,743	67,367	69,085	68,246

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

Chesapeake Gold Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

			Attributable to Shareholders of the Company						
	Note	Shares ('000)	Share capital	Share-based compensation reserves	Foreign translation reserves	Deficit	Total for owners	NCI	Total shareholders' equity
Balance at January 1, 2024		67,367	$ 234,906	$ 28,051	$ 3,748	$ (117,657)	$ 149,048	$ 2,388	$ 151,436
Net loss for the period		-	-	-	-	(1,517)	(1,517)	(96)	(1,613)
Cumulative translation adjustment		-	-	-	(999)	-	(999)	-	(999)
Shares issued for asset acquisition	8, 10	1,027	2,597	-	-	-	2,597	-	2,597
Share-based compensation expense	11	-	-	384	-	-	384	43	427
Balance at June 30, 2024		68,394	$ 237,503	$ 28,435	$ 2,749	$ (119,174)	$ 149,513	$ 2,335	$ 151,848
Balance at January 1, 2025		68,394	$ 237,503	$ 28,655	$ 299	$ (120,287)	$ 146,170	$ 2,359	$ 148,529
Net loss for the period		-	-	-	-	(1,462)	(1,462)	(32)	(1,494)
Cumulative translation adjustment		-	-	-	1,328	-	1,328	-	1,328
Units issued for cash	10	3,700	4,440	-	-	-	4,440	-	4,440
Share-based compensation expense	11	-	-	141	-	-	141	15	156
Balance at June 30, 2025		72,094	$ 241,943	$ 28,796	$ 1,627	$ (121,749)	$ 150,617	$ 2,342	$ 152,959

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

Chesapeake Gold Corp.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Cash flow from (used in) operating activities					
Net loss for the period		$ (914)	$ (1,000)	$ (1,494)	$ (1,613)
Items not affecting cash					
Depreciation	9	3	5	6	9
Unrealized foreign exchange gain (loss)		(7)	8	(7)	29
Unrealized loss (gain) from long term investments		93	(120)	(22)	(138)
Share-based compensation expense	11	77	204	156	427
Changes in non-cash operating working capital					
Other receivables and prepaid expenses		(130)	220	(40)	77
Accounts payable and accrued liabilities		11	145	(433)	478
Total cash outflows from operating activities		(867)	(538)	(1,834)	(731)
Cash flows from financing activities					
Units issued for cash	10	4,440	-	4,440	-
Total cash inflows from financing activities		4,440	-	4,440	-
Cash flows from (used in) investing activities					
Purchase of long-term investments		-	-	-	(25)
Sale of long-term investments	7	19	-	19	-
Recovery of exploration expenditures	8(c)	-	-	-	4
Purchase of equipment		-	(3)	-	(165)
Reclamation bond		(56)	-	(56)	-
Exploration and evaluation expenditures	8	(625)	(3,087)	(1,422)	(4,231)
Total cash outflows from investing activities		(662)	(3,090)	(1,459)	(4,417)
Foreign exchange impact on cash and cash equivalents		2	(33)	5	(20)
Increase (decrease) in cash and cash equivalents		2,913	(3,661)	1,152	(5,168)
Cash and cash equivalents – beginning of period		9,228	18,316	10,989	19,823
Cash and cash equivalents – end of period		$ 12,141	$ 14,655	$ 12,141	$ 14,655
Cash		$ 5,066	$ 1,841	$ 5,066	$ 1,841
Cash equivalents		7,075	12,814	7,075	12,814
		$ 12,141	$ 14,655	$ 12,141	$ 14,655

See Note 8, 10 for a summary of non-cash transactions.

- During the six months ended June 30, 2025, the Company issued Nil (2024 – 1,027) common shares with a fair value of $Nil (2023 - $2,597) in connection with the IP acquisition during the period

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

1. Nature of operations

Chesapeake Gold Corp. ("Chesapeake" or the "Company") is a Canadian exploration and evaluation stage mining company focused on the exploration and development of precious metal deposits in North and Central America. Furthermore, the Company is developing a proprietary precious metal oxidation process to apply to the Company's Metates project to derisk the project and unlock value at Metates. The Company has exploration and evaluation assets and does not generate mining revenues from operations. The Company's operations are principally directed towards the development of the Metates project in the state of Durango, Mexico and generating a pipeline of regional exploration projects.

The Company is domiciled in Vancouver, Canada and its common shares are listed on the TSX Venture Exchange under the trading symbol "CKG.V". The Company also trades on the OTCQX marketplace in the United States, under the symbol "CHPGF". The Company's head office is located at 201 – 1512 Yew Street, Vancouver BC, Canada.

As at June 30, 2025, the Company owns 67% (December 31, 2024 – 67%) of Gunpoint Exploration Ltd. ("Gunpoint"), a Vancouver based company listed on the TSX Venture Exchange, symbol "GUN.V". Gunpoint owns 100% of the Talapoosa gold project, located in Nevada, United States.

On January 1, 2024, the Company completed a vertical short-form amalgamation pursuant to the Business Corporations Act (British Columbia), with the Company's wholly owned subsidiary, American Gold Capital Corp. Pursuant to the amalgamation, the resulting amalgamated company has adopted the name Chesapeake Gold, maintained the same articles and management as the Company, issued no securities, the CUSIP for the common shares of the Company remains the same, and the symbol CKG on the TSX Venture Exchange and the symbol CHPGF on the OTCQX remain unchanged.

The Company had a consolidated net loss of $1,494 (2024 – net loss of $1,613) for the six months ended June 30, 2025, and an accumulated deficit of $121,749 as at June 30, 2025 (December 31, 2024 - $120,287). The Company's working capital (current assets less current liabilities) as at June 30, 2025 is $11,038 (December 31, 2024 - $9,416) and has sufficient resources to fund its exploration and development operations for more than a year.

2. Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024.

The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on August 26, 2025.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

3. Estimates, risks, and uncertainties

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these condensed consolidated interim financial statements require management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim 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 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.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

i. Management is required to assess the functional currency of each entity of the Company. The Company determined the Canadian dollar to be the functional currency of Chesapeake Gold Corp. and Alderley Gold Corp. and the Mexican Peso for Minerales El Prado SA de CV American Gold Metates S. de RL de CV through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions.
ii. Management is required to assess impairment indicators in respect of its exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

Accounting Estimates and Assumptions

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date, an additional liability could result from audits by taxing authorities. Where the final outcomes of these tax-related matters are different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
ii. Management estimates the fair values of share-based payment arrangements using the Black-Scholes option pricing model (assumptions used – fair value of trading price on grant, exercise price, volatility, forfeiture rate, dividend rate and risk free rate).
iii. Valuation and classification of marketable securities, and long-term investments
iv. Exploration and evaluation assets are subject to estimation uncertainty, particularly in the classification of expenditures as either capitalized or expensed. Management applies judgment in determining whether costs meet the recognition criteria under applicable accounting standards, which can materially affect reported asset values. Furthermore, impairment assessments for E&E assets require estimates about future economic benefits, technical feasibility, and commercial viability of underlying mineral resources. Changes in these assumptions—such as commodity price forecasts, exploration results, or development plans—may result in substantial impairment charges or reversals in future periods.
v. The Company assesses its provision for reclamation and remediation on an annual basis or when new material information becomes available. Exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. Actual costs incurred may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

4. Material accounting policies

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in notes 2, 3 and 4 to the Company's audited consolidated financial statements for the year ended December 31, 2024except for the adoption of new standards effective as of 1 January 2025. Effective January 1, 2025, IASB amended IAS 21 to provide guidance on estimating spot rates for currencies lacking exchangeability which had no impact on the Company's financial statements.

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

Amendment to standard not yet adopted

Following is the new amendment to a standard issued by the IASB which is applicable to the Company's condensed consolidated interim financial statements:

Presentation and Disclosures in Financial Statements (IFRS 18)

Effective January 1, 2027, IFRS 18 introduces new requirements for the presentation and disclosure of financial information. The Company is currently evaluating the potential impact of IFRS 18 on its financial statements. While the full implications are yet to be determined, the standard is expected to enhance the transparency and comparability of financial disclosures. The Company is currently analyzing the implications of the standard and will adopt IFRS 18 in accordance with its effective date and provide further updates in subsequent reporting periods.

5. Receivables and prepaid expenses

	June 30, 2025	December 31, 2024
Other receivables	$ 174	$ 181
Prepaid expenses	248	336
	$ 422	$ 517

6. Financial instruments and risk management

Fair values of financial instruments

The fair values of financial instruments are summarized as follows:

	June 30, 2025		December 31, 2024	
	Carrying value $	**Fair value $**	**Carrying value $**	**Fair value $**
Financial assets				
Cash and cash equivalents	12,141	12,141	10,989	10,989
Long-term investments	639	639	636	636
Financial liabilities				
Accounts payable and accrued liabilities	1,525	1,525	2,090	2,090

Fair value measurements

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

	Level 1	Level 2	Level 3	Total, June 30, 2025
Long-term investments	$ 639	-	-	$ 639

	Level 1	Level 2	Level 3	Total, December 31, 2024
Long-term investments	$ 636	-	-	$ 636

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the six months ended June 30, 2025 or 2024.

The long-term investments fair values are determined based on closing share price of listed companies.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and long-term investments. The Company's cash and cash equivalents are held primarily through large Canadian financial institutions. The Company's long-term investments are held in common shares of publicly traded companies. The carrying amount of the financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company settles its financial liabilities using its cash and cash equivalents. The Company manages liquidity risk through the management of its capital structure as described in Note 13. The accounts payable and accrued liabilities is due within the current operating period.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash and cash equivalents. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity and held with large Canadian financial institutions.

Foreign Exchange Rate Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in the United States, and Mexico. Certain costs and expenses are incurred in US dollars and Mexican pesos. A 10% change in the exchange rate for USD or Mexican Peso will have a nominal impact on the consolidated statement of loss and comprehensive income (loss). The Company does not use option or forward contracts to mitigate foreign exchange risk.

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

7. Long-term investments

Long term investments are publicly traded stocks. Long-term investments are investments that management does not have any intent to sell within a year.

	December 31, 2024 Fair value	Acquired and FX	Proceeds received from sale	Realized and unrealized (loss)/gain	June 30, 2025 Fair value
Long-term investments	$ 636	$ -	$ (19)	$ 22	$ 639

	December 31, 2023 Fair value	Acquired and FX	Proceeds received from sale	Realized and unrealized (loss)/gain	December 31, 2024 Fair value
Long-term investments	$ 465	$ 206	$ (227)	$ 192	$ 636

8. Exploration and evaluation assets

	Metates (a, b)	Regional (d)	Talapoosa (c)	Total
December 31, 2023	132,565	3,984	5,346	141,895
Effect of foreign exchange on translation	(2,748)	(558)	-	(3,306)
Assays	94	96	-	190
Concession acquisition	132	242	265	639
Community, taxes, camp, and supplies	502	53	-	555
Drilling	-	162	-	162
Environmental	486	10	-	496
Geological and engineering	6,596	408	-	7,004
Travel and other	141	56	-	197
December 31, 2024	137,768	4,453	5,611	147,832
Effect of foreign exchange on translation	1,019	210	-	1,229
Assays	-	58	-	58
Concession acquisition	79	82	-	161
Community, taxes, camp and supplies	79	10	-	89
Environmental	22	3	-	25
Geological and engineering	777	106	-	883
License, dues, and fees	-	-	124	124
Travel and other	66	15	-	81
June 30, 2025	139,810	4,937	5,735	150,482

a. Metates Project

The Company's Metates project ("Metates") is located in Durango State, Mexico.

On May 9, 2014, the Company acquired the 1.5% net smelter return royalty ("Metates NSR") on the Metates project from a private Mexican company. The royalty was purchased pursuant to a right of first refusal held by the Company's subsidiary, American Gold Metates S. de R.C. de C.V. ("AGM"), for $9,859 (US$9,000).

On August 9, 2014, the Company entered into an agreement ("Agreement") whereby the Company assigned its interest in the Metates 1.5% NSR to Wheaton Precious Metals Corp. (formerly known as Silver Wheaton Corp.) ("WPM") for US$9.0 million. As part of the Agreement, the Company had the right at any time for a period of five years to repurchase two-thirds of the Metates NSR (that being a 1% net smelter returns royalty) from WPM for US$9.0 million with WPM continuing to hold a 0.5% interest in the Metates NSR. Also as part of the transaction, Chesapeake through AGM, will hold a right of first refusal to purchase the Metates NSR in the event WPM elects to sell the Metates NSR to a third party, on the same terms and conditions as the third party's offer. The Agreement also contains customary terms and conditions for a royalty transaction. The Company has also entered into a right of first refusal agreement with WPM whereby the Company has granted WPM a right of first refusal on any future silver stream or royalty for which the Company receives and accepts an offer to purchase, on the same terms and conditions as the third party's offer.

On August 9, 2019, the Company exercised the option to re-purchase a 1% NSR for $11,972 (US$9,000) from WPM.

In 2023, the Dirección General del Minas of Mexico (the "DGM") cancelled the San Vicente 3 mineral concession on the basis that the Company did not provide adequate evidence to support the Company's performance of the exploration work required to maintain the concession. The San Vicente 3 mineral concession is one of 12 mineral concessions comprising the Metates property, in the Metates project, and encompasses a portion of the Metates mineral resource. The Company's legal position, supported by external Mexican counsel, is that the work required to maintain the concession was conducted on the property and appropriate evidence was submitted to the DGM to substantiate the work.

On May 3, 2023, the Company began nullity proceedings to have the cancellation of San Vicente 3 declared as null and void by the North Center III and Auxiliary Regional Chamber of the Federal Court of Administrative Justice (the "Chamber") in the state of Durango, Mexico on the basis that the DGM failed to comply with mandated cancellation procedures in accordance with applicable legislation. The Chamber dismissed the Company's lawsuit in a 2-1 split decision. The Company has appealed the decision to the Collegiate Court on the basis that the Chamber had erroneously found that the DGM had complied with mandated cancellation procedures and, therefore, it violated the Company's fundamental rights such as due process and effective judicial protection. The Company continues to pursue all legal remedies available to it to protect and defend its position with respect to San Vicente 3. The DGM has been barred by an Appellate Court from carrying out a bidding process for said mineral concession until a definitive decision is reached.

While the Company is confident that it will be successful in reinstating its ownership of the concession, there can be no assurance of this. In the event the Company is unsuccessful, the current resource estimate and the mine development plan for Metates as proposed in the Company's 2023 Amended PEA will be materially affected and the Company's ability to develop the Metates project will be materially affected. Reliance on the 2023 Amended PEA is therefore contingent on the outcome of the litigation.

As of June 30, 2025, $90,213 (December 31, 2024 - $88,171) relate to Metates project development costs while $49,597 (December 31, 2024 - $49,597) relate to acquisition costs in connection with the sulphide leaching technology.

b. License and evaluation of technical feasibility

On January 19, 2021, the Company closed the acquisition of Alderley Gold, a private British Columbia company (that was previously controlled by the former CEO of Chesapeake Gold). Through the acquisition of Alderley Gold, the Company gained access to the mining technology ("Technology") that is currently being used to determine the technical and commercial feasibility of the Metates project.

Under the terms of the Agreement, the Company issued 10 million common shares (fair value of $45,000) (the "Alderley Shares") to the shareholders of Alderley Gold. The Alderley Shares were placed in escrow and will be released based on time or milestone conditions over 7 years as follows:

i. 5% released on each of the first four anniversaries of January 19, 2021 ("Closing Date");

ii. 10% released on the earlier of: (a) date of a positive feasibility study or (b) the fifth anniversary of Closing Date (January 19, 2026);

ii. 30% released on the earlier of: (a) duly certified commencement of construction of a mine or (b) the sixth anniversary of Closing Date (January 19, 2027); and
iii. 40% released on the earlier of: (a) duly certified commencement of commercial production or (b) the seventh anniversary of Closing Date (January 19, 2028).
iv. All Alderley Shares will be released upon a change of control ("COC") of Chesapeake Gold Corp. For greater clarity, if COC occurs, the Alderley Shares will be released and not follow the escrow schedule noted in (i)(ii)(iii)(iv).

On June 4, 2024, the Company, through its wholly owned subsidiary Alderley Gold, acquired the patents, patent applications, and certain other technology rights and assets for the sulphide leaching technology from Hycroft Mining Holding Corp. and its wholly owned subsidiaries. On closing, Chesapeake paid $2-million in cash and issued 1,026,518 common shares of the Company.

c. Talapoosa

Gunpoint owns a 100% interest in the Talapoosa property ("Talapoosa") and are subject to a lease agreement with a third party (the "Unpatented Leased Land"). These claims are administered by the Bureau of Land Management ("BLM") and the annual maintenance fees for these claims payable to the BLM are approximately $116 (US$88). In addition, there are certain payments required for the land owned subject to leases with private land owners (the "Fee Leased Land"). The current annual payments for Fee Leased Land are approximately $90 (US$68).

On September 28, 2022, Gunpoint signed an option and earn-in agreement (the "Newcrest Agreement") with Newcrest Resources Inc., a wholly-owned subsidiary of Newcrest Mining Limited, ("Newcrest") to explore Gunpoint's Appaloosa property ("Appaloosa"), located in Nevada, USA. Newcrest had the right to acquire, in multiple stages, up to a 75% interest in Appaloosa for cumulative exploration and development expenditures of $46 (US$35) million, cash payments totaling $7 (US$5) million to Gunpoint and completing a minimum indicated resource estimate of 1 million gold ounces.

In September 2022, Gunpoint received $322 (US$250) upon signing the Newcrest Agreement. In January 2023, Newcrest elected to enter into the Option Phase and continue to explore Appaloosa by providing a $1,005 (US$750) cash payment to the Company in January 2023. The Option Phase was an 18-month period ended June 30, 2024, and Newcrest was to undertake a minimum US$2 million in exploration expenditures during the Option Phase. Newcrest will not earn a vested interest in Appaloosa during the Investigation and Option Phases.

On March 28, 2024, Gunpoint received notice from Newmont Corp. (which acquired Newcrest Mining Ltd. in November 2023) electing to terminate the option and earn-in agreement on the Appaloosa property between the Company and Newcrest announced on September 28, 2022, and aligned with the end of the minimum commitment phase within the earn-in agreement.

d. Regional

El Duraznito (Durango State, Mexico)

On March 3, 2020, the Company announced an option to acquire a 100% interest in the El Duraznito gold-silver project ("El Duraznito") located near the town of Tayoltita in Durango State, Mexico. El Duraznito is located east of First Majestic Silver Corp.'s San Dimas Mine ("San Dimas"). At present, Chesapeake has an option agreement over one of El Duraznito Claims ("Teresa"). The Company paid US$78 to earn 60% of the rights. After completion of the feasibility study, Chesapeake will pay US$100 to earn an additional 20% interest in the project. Upon commencement of mine construction, the Company will have acquired 100% interest in the Teresa claim with a final US$150 final payment. During 2024 the Teresa option agreement continued in good standing. During the year ended December 31, 2024 the Company made the final payment and acquired 60% of the Teresa claim.

Lucy (Sinaloa State, Mexico)

Lucy was staked by Chesapeake in 2017 and the Company completed mapping, trenching and channel sampling in 2021 and 2022 identified the presence of a gold-bearing skarn system. The Company is continuing to explore the property during 2025.

Nicole (Durango State, Mexico)

The Nicole Project is located north of the Company's flagship Metates project. The project is currently on standby as the Company works on obtaining drilling and environmental permits.

Crisy (Durango State, Mexico)

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

The Crisy project is located south of the Company's flagship Metates project. During the year ended December 31, 2023, the Company completed its payments per the earn in option agreement to own 100% of the mineral claim. The project is currently on standby as the Company focuses its efforts on active exploration programs.

Tatatila (Veracruz State, Mexico)

The project is currently on standby as the Company focuses its efforts on active exploration programs.

9. Equipment

Cost	Exploration Equipment
Cost as at December 31, 2023	144
Additions	38
Cost as at December 31, 2024	$ 182
Additions	1
Cost as at June 30, 2025	$ 183

Accumulated Depreciation	Exploration Equipment
Accumulated depreciation as at December 31, 2023	(123)
Depreciation expense	(15)
Accumulated depreciation as at December 31, 2024	$ (138)
Depreciation expense	(6)
Accumulated depreciation as at June 30, 2025	$ (144)

Carrying Amount	Exploration Equipment
Carrying value as at December 31, 2024	$ 44
Carrying value as at June 30, 2025	$ 39

10. Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of Series 1 Class A restricted voting shares without par value, convertible and redeemable at $0.01 per share and an unlimited number of preferred shares without par value.

As at June 30, 2025, 8,000,000 (December 31, 2024 – 8,500,000) common shares were held in escrow, subject to release per escrow conditions in Note 8 and upon approval of the regulatory authorities.

Six months ended June 30, 2025

a) On June 17, 2025 the Company issued 3,700,000 units at $1.20 per unit which consisted of one common share and one-half share purchase warrant for gross proceeds of $4,440. Each whole warrant is exercisable for one share of the Company at a price of $1.65 for a period of three years.

Year ended December 31, 2024

a) On June 4, 2024, the Company issued 1,026,518 common shares with a fair value of $2.53 per share upon issuance for a total of $2,597 in connection to its acquisition of the intellectual property rights for the sulphide leaching technology (Note 8).

Warrants

On June 17, 2025, the Company issued 1,850,00 warrants exercisable at $1.65 for a period of three years in connection with the unit private placement completed. Based on the residual valuation method, there was no value attributable to the warrants.

	June 30, 2025		December 31, 2024	
	Number of warrants (000's)	Exercise Price	Number of warrants (000's)	Exercise Price
Outstanding – beginning of year	-	-	-	-
Granted	1,850	$1.65	-	-
Outstanding – end of period	1,850	$1.65	-	-

Number of warrants ('000s)	Exercise price	Expiry Date
1,850	1.65	17-Jun-28

11. Share-based compensation

On May 18, 2021, the Company adopted a share option plan for which options to acquire up to 10% of the issued share capital, at the award date, may be granted to eligible optionees from time to time. Generally, share options granted have a maximum term of five years, and a vesting period and exercise price determined by the directors. The exercise price may not be less than the closing quoted price of the Company's common shares traded through the facilities of the exchange on which the Company's common shares are listed. As at December 31, 2024, the remaining share options available for issue under the plan were 5,084,338 (December 31, 2023 – 2,711,437).

The Company also has a Stock Bonus Plan ("Bonus Plan"). The Bonus Plan enables bonus common shares to be issued to any full-time or part-time employee or independent contractor (whether or not a director) of the Company or any of its subsidiaries who has rendered services that contributed to the success of the Company or any of its subsidiaries. Grants of bonus common shares will be on terms that the Compensation Committee of the Board may determine, within the limitations of the Bonus Plan and subject to the rules and policies of applicable regulatory authorities. The maximum number of common shares issuable under the Bonus Plan is 200,000 common shares as at December 31, 2024 and June 30, 2025, there is no room for further issuance, representing approximately 0.30% of the current issued and outstanding common shares as at December 31, 2024 and June 30, 2025. In addition, in any calendar year, the number of bonus common shares issuable to insiders of the Company, also taking options into account, is limited to 0.5% of the total number of common shares which were issued and outstanding at the end of the preceding calendar year, 10% of the issued and outstanding common shares, and no more than 5% of the issued and outstanding shares to any one person in a 12-month period.

On November 5, 2024, the Company granted stock options under its stock option plan to purchase an aggregate of 65,000 common shares of the Company at an exercise price of $1.80 per share for a five-year term, expiring November 5, 2029. The stock options were granted to officers of the Company. The options will vest and be exercisable on the basis of 25% annually, commencing November 5, 2025, the first anniversary of the date of the grant. The fair value of the options granted was $76 which will be recognized over the vesting period.

On February 26, 2025, the Company granted stock options under its stock option plan to purchase an aggregate of 100,000 common shares of the Company at an exercise price of $1.00 per share for a five-year term, expiring February 26, 2030. The stock options were granted to an officer of the Company. The options will vest and be exercisable on the basis of 25% annually, commencing February 26, 2026, the first anniversary of the date of the grant. The fair value of the options granted was $63 which will be recognized over the vesting period.

The fair value for stock options granted have been estimated suing the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	Six months ended June 30, 2025	**Year ended December 31, 2024**
Risk-free interest rate	**2.70 %**	**3.05%**
Expected life (years)	**5**	**5**
Expected volatility	**80%**	**78%**
Forfeiture rate	**0%**	**0%**

	June 30, 2025		**December 31, 2024**	
	Number of options (000's)	**Weighted average exercise price**	**Number of options (000's)**	**Weighted average exercise price**
Outstanding – beginning of year	2,425	$ 3.68	4,025	$ 3.55
Granted	100	1.00	65	1.80
Forfeited/Expired	(400)	3.15	(1,665)	3.30
Outstanding – end of period	2,125	$ 3.66	2,425	$ 3.68

The following table discloses the number of options and vested options outstanding as at June 30, 2025:

Number of options ('000s)	**Number of options vested ('000s)**	**Exercise price ($)**	**Expiry Date**
1,250	1,250	4.56	10-Dec-25
150	150	4.55	19-Jan-26
40	20	1.92	28-Sept-27
200	100	2.15	07-Feb-28
20	10	2.70	28-Apr-28
100	50	1.70	31-May-28
200	50	2.20	04-Dec-28
65	-	1.80	05-Nov-29
100	-	1.00	26-Feb-30
2,125	1,630	3.66	

The following table discloses the number of options and vested options outstanding as at December 31, 2024:

Number of options ('000s)	Number of options vested ('000s)	Exercise price ($)	Expiry Date
400	400	3.15	14-May-25
1,250	1,250	4.56	10-Dec-25
150	113	4.55	19-Jan-26
40	20	1.92	28-Sept-27
200	50	2.15	07-Feb-28
20	5	2.70	28-Apr-28
100	25	1.70	31-May-28
200	50	2.20	04-Dec-28
65	-	1.80	05-Nov-29
2,425	1,913	3.68	

During the six month ended June 30, 2025, the Company recognized $156 (2024 - $427) as share-based compensation expense, of which $141 (2024 - $384) relates to the Company and $15 (2024 – 43) related to the NCI of Gunpoint.

The weighted average contractual life of outstanding stock options as at June 30, 2025 was 1.43 years (December 31, 2024 – 1.53 years).

12. Related party transactions

The Company's related parties include its subsidiaries and key management, executive officer roles, and the Board of Directors. Transactions with related parties for goods and services are made on normal commercial terms in the normal course of operations.

Short-term employee benefits include salaries payable within twelve months of the statement of financial position date and other annual employee benefits.

The Company incurred the following expenses with related parties during the six-months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Consulting	$ 100	$ 42	$ 185	$ 83
General and administration – salary	70	76	140	146
General and administration – directors' fees	93	84	168	163
Legal	113	83	143	145
Management fees	63	62	125	125
Share-based compensation expense	54	60	110	267

Management fees were paid or accrued to a private company owned by the Executive Chairman of the Company. Consulting fees were paid or accrued to officers and a director of the Company.

As at June 30, 2025, the Company had amounts payable of $108 to related parties (December 31, 2024 - $122), of which $108 (December 31, 2024 - $112) relates to Chesapeake and $Nil (December 31, 2024 - $Nil) relates to Gunpoint. These amounts are unsecured and non-interest bearing, due on demand and are included in accounts payable and accrued liabilities.

On January 19, 2021, the Company closed the acquisition of Alderley Gold, a private British Columbia mining technology company (that was previously controlled by the former CEO and director of the Chesapeake Gold Corp.). Through the acquisition of Alderley Gold, the Company gained access to the Technology that is currently being used to determine the technical and commercial feasibility of the Metates project. 7,400,000 shares were issued to a company controlled by the former CEO and director. The remaining 2,600,000 shares were issued to non-related parties. As at June 30, 2025, 5,920,000 shares issued to a Company controlled by the former CEO and director are still held in escrow.

(Unaudited - amounts expressed in thousands of Canadian dollars, except where indicated)

13. Capital management

The capital of the Company consists of items included in shareholders' equity net of cash. The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties, and support any expansionary plans.

The capital of the Company consists of items included in shareholders' equity (excluding NCI), net of cash as follows:

	June 30, 2025	December 31, 2024
Total equity for owners	$ 150,617	$ 146,170
Less: cash	(12,141)	(10,989)
	138,476	135,181

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at June 30, 2025, the Company expects its capital resources will support its normal operating requirements, planned development and exploration of its mineral properties for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied. There were no changes in the Company's approach to capital management during the six months ended June 30, 2025.

14. Segment disclosures

The Company operates in one operating segment (Note 1) in three countries. Details of the investments in exploration and evaluation assets are disclosed in Note 8. The Company's assets by country are:

June 30, 2025	Canada	Mexico	USA	Total
Cash	$ 12,058	$ 83	$ -	$ 12,141
Other receivables and prepaid expenses	265	1,135	-	1,400
Long-term investments	250	-	389	639
Exploration and evaluation assets	51,435	93,312	5,735	150,482
Reclamation bonds	-	-	440	440
Equipment	-	39	-	39
Total assets	$ 64,008	$ 94,569	$ 6,564	$ 165,141
Loss (income) for the period	$ 1,367	$ 152	$ (25)	$ 1,494

December 31, 2024	Canada	Mexico	USA	Total
Cash	$ 10,719	$ 213	$ 57	$ 10,989
Other receivables and prepaid expenses	363	1,035	-	1,398
Long-term investments	171	-	465	636
Exploration and evaluation assets	51,047	91,174	5,611	147,832
Reclamation bonds	-	-	384	384
Equipment	-	44	-	44
Total assets	$ 62,300	$ 92,466	$ 6,517	$ 161,283
Loss for the six month ended June 30, 2024	$ 1,376	$ 206	$ 31	$ 1,613