

Consolidated Financial Statements of

TGX ENERGY & RESOURCES INC.
(formerly True North Gems Inc.)

As at and for the years ended December 31, 2024 and 2023

Expressed in Canadian dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TGX Energy & Resources Inc. (formerly True North Gems Inc.)

Opinion

We have audited the consolidated financial statements of TGX Energy & Resources Inc. (formerly True North Gems Inc.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of changes in shareholders' deficit, loss and comprehensive loss, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had no revenues, used \$6,069 of cash for operating activities, and incurred a net loss of \$360,082 during the year ended December 31, 2024 and, as of that date, the Company had an accumulated deficit of \$74,380,966. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter of 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 auditor's report is Henry Chow.

A handwritten signature in black ink that reads "SATURNA GROUP LLP". The letters are cursive and somewhat stylized, with the 'S' being particularly large and the 'L' at the end being a simple vertical stroke.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

April 28, 2025

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2024	December 31, 2023
Current assets		
Cash	\$ 1,346	\$ 19,915
Marketable securities (note 5)	68,250	65,000
Amounts receivable	19,298	3,800
Loan receivable (note 6)	16,262	-
Deposits and prepaid expenses	1,929	-
Total assets	\$ 107,085	\$ 88,715
Current liabilities		
Accounts payable and accrued liabilities	\$ 74,456	\$ 32,894
Promissory note payable (note 8)	13,356	-
	87,812	32,894
Non-current liabilities		
Loans payable - continuing operations (note 9)	5,450,426	5,563,223
Loans payable - discontinued operations (note 9)	1,435,597	1,202,516
	6,886,023	6,765,739
Total liabilities	6,973,835	6,798,633
Shareholders' deficit		
Share capital (note 10)	50,780,589	50,509,335
Reserves (note 10)	16,719,642	16,790,896
Accumulated other comprehensive income (loss)	13,985	10,735
Deficit	(74,380,966)	(74,020,884)
Total shareholders' deficit	(6,866,750)	(6,709,918)
Total liabilities and shareholders' deficit	\$ 107,085	\$ 88,715
Nature of operations and going concern (note 1)		
Subsequent events (note 16)		

Approved on behalf of the Board:

“/s/ M. Bilal Bhamji” Director

“/s/ George Mendez” Director

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

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Consolidated Statements of Changes in Shareholders Deficit
(Expressed in Canadian dollars)

	Share capital		Reserves		Accumulated other comprehensive income (loss)	Deficit	Total shareholders' deficit
	Number of Shares	Amount	Warrants	Contributed surplus			
Balance - December 31, 2022	10,859,116	\$ 50,570,968	\$ 414,448	\$ 16,384,815	\$ (5,515)	\$ (73,744,296)	\$ (6,379,580)
Unit cancellation (notes 7 & 10)	(333,333)	(61,633)	(8,367)	-	-	-	(70,000)
Reallocation of fair value of warrants expired (note 10)	-	-	(267,469)	267,469	-	-	-
Net loss for year	-	-	-	-	-	(276,588)	(276,588)
Unrealized gain on marketable securities	-	-	-	-	16,250	-	16,250
Balance - December 31, 2023	10,525,783	\$ 50,509,335	\$ 138,612	\$ 16,652,284	\$ 10,735	\$ (74,020,884)	\$ (6,709,918)
Warrants exercised (note 10)	666,667	271,254	(71,254)	-	-	-	200,000
Reallocation of fair value of warrants expired (note 10)	-	-	(67,358)	67,358	-	-	-
Net loss for year	-	-	-	-	-	(360,082)	(360,082)
Balance - December 31, 2024	11,192,450	\$ 50,780,589	\$ -	\$ 16,719,642	\$ 10,735	\$ (74,380,966)	\$ (6,870,000)

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

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)**Consolidated Statements of Loss and Comprehensive Loss**

Expressed in Canadian dollars

	For the year ended December 31,	
	2024	2023
Operating expenses		
Consulting fees (note 13)	\$ 134,400	\$ 134,400
Exploration and evaluation recoveries (note 11)	(15,716)	(25,312)
General and administrative	2,814	1,088
Impairment of exploration and evaluation assets (note 7)	25,000	7,445
Professional fees	54,851	19,618
Shareholder relations	12,152	-
Transfer agent and filing fees	15,829	9,502
Loss before other income (expenses)	(229,330)	(146,741)
Other income (expenses)		
Accounts payable written off	-	643
Interest income (note 6)	1,262	-
Interest expense (notes 8 & 9)	(63,121)	(53,928)
Net loss from continuing operations	(291,189)	(200,026)
Net loss from discontinued operations (note 4)	(68,893)	(76,562)
Net loss	(360,082)	(276,588)
Other comprehensive income (loss)		
Unrealized gain on marketable securities (note 5)	3,250	16,250
Comprehensive loss for year	\$ (356,832)	\$ (260,338)
Loss per share from continuing operations - basic and fully diluted	\$ (0.03)	\$ (0.02)
Loss per share from discontinued operations - basic and fully diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares - basic and fully diluted	11,097,732	10,574,186

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

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended December 31,	
	2024	2023
Operating activities		
Cash provided by (used for) operating activities		
Net loss from continuing operations	\$ (291,189)	\$ (200,026)
Adjustments for:		
Impairment of exploration and evaluation assets	25,000	7,445
Interest expense	63,121	53,928
Interest income	(1,262)	-
Changes in non-cash working capital items		
Amounts receivable	(15,498)	22,464
Deposits and prepaid expenses	(1,929)	-
Accounts payable and accrued liabilities	215,688	132,844
Cash provided by (used for) operating activities	(6,069)	16,655
Investing activities		
Loan advances	(15,000)	-
Exploration and evaluation expenditures	(12,500)	-
Cash flows provided by (used for) investing activities	(27,500)	-
Financing activities		
Loan repayments	(185,000)	-
Warrants exercised	200,000	-
Cash flows provided by (used for) financing activities	15,000	-
Increase (decrease) in cash	(18,569)	16,655
Cash - beginning of year	19,915	3,260
Cash - end of year	\$ 1,346	\$ 19,915
Non cash investing and financing activities		
Promissory note issued as consideration for property acquisition	\$ 12,500	\$ -
Cancellation of units on disposition of exploration and evaluation asset	\$ -	\$ (70,000)
Unrealized gain on marketable securities	\$ 3,250	\$ 16,250

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

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

1. Nature of operations and going concern

TGX Energy & Resources Inc. (formerly True North Gems Inc.) (the “Company”) was incorporated in British Columbia under the Business Corporations Act on February 8, 2019. The Company’s corporate office is located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, V6C 1T2. Its principal business activities include the exploration and evaluation of natural resource properties in Canada.

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for at least twelve months from December 31, 2024 and will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended December 31, 2024, the Company had no revenues, used \$6,069 of cash for operating activities and incurred a net loss of \$360,082. As at December 31, 2024, the Company has an accumulated deficit of \$74,380,966.

The Company will require additional financing through debt or equity issuances or other available means in order to continue operations and for working capital purposes. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be obtained on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities, the reported amount of expenses and the classifications used on the statement of financial position. The effects of such adjustments could be material.

2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). These consolidated financial statements were authorized for issuance by the Board of Directors on April 28, 2025.

3. Material accounting policies

a) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s material accounting policies. The areas involving the application of accounting policy judgment or complexity and areas of estimation uncertainty are disclosed in note 3.

b) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned inactive subsidiary, Laval Critical Elements Inc., a company incorporated in the province of British Columbia, from the date of incorporation on July 8, 2022. A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A subsidiary is consolidated from the date on which control is transferred to the Company and are deconsolidated from the date that control ceases.

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions in Canada are eliminated on consolidation.

c) Foreign currency translation

Transactions in currencies other than the functional currency of the reporting entity are recorded at rates of exchange prevailing on the dates of such transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at rates prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in the foreign currency are not re-translated. The functional currency of the Company and its subsidiary is Canadian dollars.

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

3. Material accounting policies – continued

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and subject to significant risk of change in value. Cash is classified as amortized cost.

e) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company’s financial instruments under IFRS 9:

<u>Financial assets/liabilities</u>	<u>Classification - IFRS 9</u>
Cash	Amortized cost
Marketable securities	FVTOCI
Loan receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note payable	Amortized cost
Loans payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss.

Financial assets and liabilities at FVTOCI

Financial assets and liabilities carried at FVTOCI are initially recorded at fair value. Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the consolidated statement of loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3. Material accounting policies - continued

Impairment of financial assets at amortized cost - continued

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset 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 credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in the consolidated statements of loss and comprehensive loss.

f) Exploration and evaluation assets

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquiring the rights to explore, prospecting, sampling, mapping, diamond drilling, and other work involved in searching for mineral resources.

Evaluation expenditures are costs incurred to establish the technical feasibility and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of: (i) further defining the volume and grade of deposits through drilling core samples, trenching and sampling activities; (ii) determining the optimal methods of extraction and metallurgical and treatment process; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and, (v) economic evaluations to determine whether development of mineralized material is commercially justified including preliminary assessments, pre-feasibility and final feasibility studies.

The costs of acquiring exploration properties in an asset purchase, including option payments and acquisition of mineral licenses, are capitalized as an exploration and evaluation asset at cost. The cost of acquiring mineral resources in a business combination are recognized as exploration and evaluation assets at fair value.

All other exploration and evaluation expenditures are expensed until it is probable that future economic benefits will flow to the Company. We use the following criteria to assess the economic viability and probability of future economic benefits:

- Viability: A proven and/or probable mineral reserve has been established that demonstrates a positive financial return, and/or where there is a history of conversion to mineral reserves at operating mines; and
- Authorizations: Necessary permits, and access to critical resources and environmental programs exist or are reasonably obtainable.

3. Material accounting policies – continued

Once future economic benefits are expected, further exploration and evaluation expenditures are capitalized at cost and recognized as an exploration and evaluation asset within property, plant, and equipment. No amortization is charged during the evaluation and development stage as the asset is not available for use.

From time to time, the Company disposes of mineral property interests pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property recoveries when payments are made or received until the original cost is recovered and after which subsequent recoveries are recorded in the consolidated statements of loss and comprehensive loss.

g) Provisions for site restoration

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The Company is subject to laws and regulations relating to environmental matters, including land reclamation and discharge of hazardous materials, in all jurisdictions in which it operates.

On initial recognition, the estimated net present value of a provision is recorded as a liability and a corresponding amount is added to the capitalized cost of the related non-financial asset or charged to the consolidated statement of loss if the property has been written off. Discount rates using a pre-tax rate that reflects the time value of money and the risk associated with the liability are used to calculate the net present value. The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation.

h) Income taxes

Income tax expense or recovery comprises current and deferred income tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current income tax expense is the expected income tax payable on the taxable income for the period using tax rates enacted or substantively enacted at year end, adjusted for amendments to income tax payable with regards to previous years.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized.

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

Deferred income tax is provided on temporary differences arising between the carrying amounts of net assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the liability method. Deferred income tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination that affect neither accounting nor taxable loss. Deferred income tax is also not recognized for temporary differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the foreseeable future. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using rates enacted or substantively enacted at the consolidated financial position date.

i) Share-based payments

The Company grants stock options to directors, officers, employees, and service providers. Each tranche in an award is considered a separate award with its own vesting period and fair values. The Company applies the fair-value method of accounting for share-based payments. The fair value is calculated using the Black-Scholes option pricing model.

Share-based payments for employees and others providing similar services are determined based on the grant date fair value. Share-based payments for non-employees are determined based on the fair value of the goods or services received or option granted measured at the date on which the Company obtains the goods or services.

3. Material accounting policies – continued

Compensation expense is recognized over each tranche's vesting period, in the consolidated statement of loss or capitalized as appropriate, based on the number of awards that vest less the estimated forfeitures. The number of forfeitures likely to occur is estimated on the grant date. If stock options are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

j) Share capital

Proceeds from the exercise of stock options and warrants, in addition to the estimated fair value attributable to these equity instruments, are recorded as share capital when exercised. Share capital issued for non-monetary consideration is recorded at an amount based on estimated fair market value reduced by an estimate of transaction costs incurred when such shares are issued for cash. In a unit offering, the Company prorates the proceeds between the relative fair values of the shares issued and the Black-Scholes value of the warrants issued.

k) Income (loss) per share

Basic income (loss) per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, including any outstanding share options and warrants. When a loss is incurred during the reporting period, the exercises of options and warrants are considered anti-dilutive and the basic and diluted losses per share are the same. As at December 31, 2024, the Company has Nil (2023 – 1,333,333) potentially issuable shares from outstanding share purchase warrants.

l) Segment reporting

The Company operates in a single reportable operating segment – the acquisition, exploration, and development of mineral properties in Canada.

m) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

n) New accounting standards, interpretations and amendments

New accounting standards adopted in the current year:

These amendments were effective for reporting periods beginning on or after January 1, 2024, and these amendments did not affect the Company's consolidated financial statements.

Classification of liabilities as current or non-current (amendments to IAS 1 Presentation of Financial Statements)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent.

These amendments to IAS 1 were effective for years beginning on or after January 1, 2024, and this amendment did not have a material impact on the Company's consolidated financial statements.

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

3. Material accounting policies – continued

Standards issued but not yet effective

On April 9, 2024, the IASB issued a new standard on presentation and disclosure in financial statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures) and enhanced principles on aggregation and disaggregation, which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company is currently assessing the impact of this standard on its consolidated financial statements.

On May 30, 2024, the IASB issued amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7) These amendments clarify the requirements related to the date of recognition and derecognition of financial assets and liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer. They also clarify the requirements for assessing contractual cash flow characteristics of financial assets and characteristic of non-recourse loans and contractually linked agreements. They are effective for annual periods beginning on or after January 1, 2026 (early adoption is available only for amendments related to the classification of financial assets and the related disclosures).

On August 15, 2023, the IASB issued the following amendments to IAS 21 that require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendment includes requirements for assessing whether a currency is exchangeable into another currency, guidance on determining the exchange rate when such an exchange is not possible, and additional related disclosure requirements. The amendments are effective for annual periods beginning on or after January 1, 2025, although early adoption is permitted. The Company is currently assessing the impact of this standard on its consolidated financial statements.

On June 14, 2023, the ISSB issued Canada's Sustainability Disclosure Standards: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information for Disclosure of Sustainability-related Financial Information proposes general requirements for an entity to disclose sustainability-related financial information about its sustainability-related risks and opportunities. The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.
- IFRS S2 Climate-related Disclosures to integrate and build on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and incorporating industry-based disclosure requirements derived from SASB Standards. The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The proposed transition relief for disclosures beyond climate-related risks and opportunities has been extended from one year granted by the ISSB to two years. The entities that voluntarily adopt the CSSB standards on January 1, 2025, will be required to disclose information on all sustainability-related risks and opportunities from the reporting period beginning on or after January 1, 2027.

The proposed transition relief for disclosure of Scope 3 GHG emissions has been extended from one year granted by the ISSB to two years. The entities that voluntarily adopt the CSSB on January 1, 2025, will be required to disclose Scope 3 GHG emissions from the reporting period beginning on or after January 1, 2027.

3. Material accounting policies – continued

o) Material accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of these consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Significant accounting estimates include but are not limited to, carrying value of exploration and evaluation assets, and unrecognized deferred income tax assets. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

In applying its accounting policies, the Company makes significant accounting policy judgments. The following are areas of significant policy judgment in these consolidated financial statements:

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available to pursue other investment opportunities and for working capital requirements, which is at least but not limited to twelve months from the end of the reporting period.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of loss and comprehensive loss in the period when the new information becomes available.

4. Bankruptcy of TNGG and discontinued operations

Loss on bankruptcy of subsidiary

On September 5, 2016, TNGG, the Company's then 75.39% subsidiary, which owned the Aappaluttoq Ruby and Pink Sapphire Deposit located in SW Greenland, initiated voluntary bankruptcy proceedings under the Bankruptcy Act in Greenland. Since late 2015, the Company had been engaged in a comprehensive search for mine financing. Two parallel strategies were pursued; financing at the project level ("TNGG") and at the corporate level ("True North"). Neither strategy concluded in the mine being financed. As a result, the Company was unable to fund the Greenlandic operations. Under Greenlandic labor laws TNGG was required to have sufficient working capital for employee wages and office expenses in order to be considered a going concern. Accordingly, TNGG was in breach of the Greenlandic interpretation of "going concern" and would be ruled technically insolvent. As such, the Board of Directors of TNGG had to place it into voluntary bankruptcy to protect its shareholders (True North, LNS Group and Greenland Ventures S/A). True North was TNGG's largest creditor when it filed for voluntary bankruptcy. Concurrently, the court appointed two Trustees to assume all accounting and administrative duties of TNGG establishing loss of control. Having lost control, TNGG was deconsolidated from the financial statements of True North.

The Trustees fully documented all assets and invited bids from interested parties. The Company prepared and submitted a bid; however, LNS Greenland A/S was the highest bidder and was granted the Aappaluttoq Mine Licence by the Greenland government. In September 2018, the Trustee notified the Company that they were to receive a dividend distribution of DKK 3,158,108.20 (CAD \$638,254) on the closure of the Estate. The redistribution of the remaining value was on a pro-rata basis determined by debt ownership at the time of the TNGG bankruptcy.

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

4. Bankruptcy of TNGG and discontinued operations - continued

Discontinued operations

Statement of Loss and Comprehensive Loss

	For the year ended December 31,	
	2024	2023
"TGX's" operating expenses		
Other expenses		
Loan guarantee - accrued interest	\$ (68,893)	\$ (76,562)
Net loss and comprehensive loss for year from discontinued operations	\$ (68,893)	\$ (76,562)

Statement of Cash Flows

There were no impacts on cash flow for operating, investing or financing activities during the years ended December 31, 2024 and 2023.

5. Marketable securities

	December 31, 2024			December 31, 2023
	Cost	Accumulated unrealized holding gain	Fair value	Fair value
American Critical Elements Inc. (650,000 (2023: 650,000) shares)	\$ 55,750	\$ 12,500	\$ 68,250	\$ 65,000

During the year, the Company recorded an unrealized gain of \$3,250 (2023 - \$16,250) in other comprehensive income (loss) with respect to the change in fair value of the marketable securities.

6. Loan receivable

During the year ended December 31, 2024, the Company loaned \$15,000 (2023 - \$Nil) to AuQ Gold Mining Inc.(formerly Royal Gold Mining Inc.) towards the Nabikok mining project. The loan is unsecured, bears interest at 10% per annum, and is to be repaid on or before September 30, 2025 (note 16(ii)). During the year ended December 31, 2024, interest income of \$1,262 (2023 - \$Nil) was accrued on the loan.

7. Exploration and evaluation assets

True Blue Property

The property comprises 301 claims located 55 kilometers south of Ross River, Yukon.

Chuchinka Property

The Chuchinka Property is located 5 kilometers east of Castlegar in southeastern British Columbia. The Company reimbursed the vendor of the Chuchinka Property the cost of staking the claims (\$1,230). During the year ended December 31, 2023, management determined they were not going to maintain the claims in good standing upon their expiry on January 28, 2024 and the carrying value of \$1,230 was written off as an impairment charge to the consolidated statement of loss and comprehensive loss.

7. Exploration and evaluation assets - continued

Cobalt Hill Property

The Cobalt Hill Property is located in British Columbia. The Company reimbursed the vendor of the of the Cobalt Hill Property the cost of staking the claims (\$1,230) and paid the annual maintenance fee to maintain claims in good standing (\$4,985). During the year ended December 31, 2023, management determined they were not going to maintain the claims in good standing upon their expiry June 19, 2024 and the carrying value of \$6,215 was written off as an impairment charge to the consolidated statement of loss and comprehensive loss.

Cyr-Kapiwak Lithium Property

On June 30, 2022, the Company entered into an agreement to acquire a 50% interest in the Cyr-Kapiwak Lithium Property (“Cyr-Kapiwak”) from Lithium One Metals Inc. (“LI”). Cyr-Kapiwak consists of 42 mineral claims in a group of three non-contiguous lithium properties, Kay Lithium, Amish West Lithium and Amish East Lithium, located in the James Bay area of Quebec.

The terms of the agreement are as follows:

- Issuance of 1,000,000 units of the Company, with each unit consisting of one common share and one share purchase warrant. Each warrant entitles the holders to acquire one common share at a price of \$0.20 per share for 24 months from the date of issuance; and,
- Expending \$250,000 on exploration expenditures within 24 months; and, LI retains a 2% Net Smelter Royalty (“NSR”) and has the right to buy 1% of the NSR at any time for \$1,000,000.

On November 22, 2022, the Company issued 1,000,000 units to LI with a fair value of \$70,000. On February 21, 2023, the Company and LI entered into an agreement to return the 50% interest in Cyr-Kapiwak to LI in exchange for the return of the 1,000,000 units previously issued by the Company (returned to treasury - February 22, 2023) and reimbursement to the Company of partial exploration expenditures incurred on the property of \$35,000 (received – March 8, 2023), which was recorded as a cost recovery against exploration and evaluation expenditures.

The Nabikok Property

The Nabikok Property consists of 155 claims located in the Abitibi region of northwestern Quebec. The Company entered into an exclusive option agreement to acquire from Mr. Glenn Griesbach, an arm’s length property vendor, subject to TSX-V approval. The terms of the agreement are as follows:

- Payment of \$25,000 within 14 days of regulatory approval. (\$12,500 paid and a promissory note issued for \$12,500 on April 25, 2024 (note 8));
- Issuance of 1,000,000 units of LCE. Each LCE unit is comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.40 per share for 24 months from date of regulatory approval; and,
- Granting the vendor a 2% NSR, half of which can be acquired for \$1,000,000 at any time.

On August 23, 2023, the Company entered into an agreement with AuQ Gold Mining Inc. whereby they can earn a 50% interest in the Nabikok Property by expending \$600,000 over three years, of which \$100,000 is required to be spent in the first year (incurred), \$200,000 in the second year (incurred) and \$300,000 in the third year.

On December 31, 2024, the Company recognized an impairment loss on the Nabikok Property of \$25,000, as the Company did not fulfill all the requirements under the terms of the agreement and has no further intentions on satisfying the remaining obligations to earn the interest.

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

7. Exploration and evaluation assets - continued

The following table details the acquisition costs incurred by the Company:

	Chuchinka	Cobalt Hill	Cyr-Kipiwak	Nabikok	Total
Balance - December 31, 2022	\$ 1,230	\$ 6,215	\$ 70,000	\$ -	\$ 77,445
Disposition of exploration and evaluation asset (note 10)	-	-	(70,000)	-	(70,000)
Write off of exploration and evaluation assets	(1,230)	(6,215)	-	-	(7,445)
Balance - December 31, 2023	-	-	-	-	-
Property acquisition	-	-	-	25,000	25,000
Write off of exploration and evaluation assets	-	-	-	(25,000)	(25,000)
Balance - December 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ -

8. Promissory note payable

On April 25, 2024, the Company issued a promissory note for \$12,500 to the optionor of the Nabikok Property to satisfy the initial payment terms for the acquisition of the property. The promissory note is unsecured, bears interest at 10% per annum. During the year ended December 31, 2024, interest of \$856 (2023 - \$Nil) was accrued on the promissory note payable.

9. Loans payable

	December 31, 2024	December 31, 2023
Demand loans (a)	\$ 81,719	\$ 78,410
Loan guarantee (b)	5,368,707	5,484,813
Other (c)	1,435,597	1,202,516
	\$ 6,886,023	\$ 6,765,739

- a) The demand loans are unsecured, bear interest at the rate of 5% per annum, and are due by December 31, 2026. During the year ended December 31, 2024, interest expense of \$3,304 (2023 - \$3,300) was accrued on the demand loans.
- b) As at December 31, 2024, the Company owed \$5,368,707 (2023 - \$5,484,813) to a non-related party, which is unsecured, bears interest at 5% per annum, and is due by December 31, 2026. During the year ended December 31, 2024, interest of \$68,893 (2023 - \$76,561) was accrued on the loan guarantee, which is recorded as discontinued operations.
- c) As at December 31, 2024, the Company owed \$1,435,597 (2023 - \$1,202,516) to five creditors. The loans are unsecured, bear interest at the rate of 5% per annum, and are due on December 31, 2026. During the year ended December 31, 2024, interest of \$59,215 (2023 - \$50,628) was accrued on these loans and creditors agreed to postpone an additional \$174,126 (2023 - \$178,189) in debt.

10. Share capital

a) Authorized

An unlimited number of common shares without par value are authorized for issue.

b) Transactions

On February 21, 2024, the Company issued 666,667 common shares pursuant to the exercise of warrants for proceeds of \$200,000. As part of the issuance, the fair value of warrants of \$71,295 was transferred from warrant reserve to share capital.

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

10. Share capital - continued

On February 22, 2023, the 333,333 units previously issued on November 22, 2022, as part of the acquisition of Cyr-Kapiwak, were returned to treasury with a fair value of \$70,000 comprised of \$61,633 for common shares and \$8,367 for share purchase warrants.

e) Reserves

Reserves consist of the fair value of warrants outstanding, the accumulated fair value of expired warrants and the accumulated fair value of common share stock options recognized as share-based compensation.

Warrants

	December 31, 2024		December 31, 2023	
	Number of warrants	Amount	Number of warrants	Amount
Opening balance	1,333,333	\$ 138,612	4,333,333	\$ 414,448
Warrants exercised	(666,667)	(71,254)	(333,333)	(8,367)
Warrants expired	(666,666)	(67,358)	(2,666,667)	(267,469)
Closing balance	-	\$ -	1,333,333	\$ 138,612

Stock options

On June 21, 2021, the shareholders approved the Stock Option Plan (the "Plan"), for which up to 10% of the issued share capital can be reserved for issuance to executive officers, directors, employees, and consultants. The exercise price of the options is set at the Company's closing share price on the day before the grant date less the applicable discount permitted under the TSX Venture Exchange policies. The options have a maximum term of five years and vest at the date of grant. There were no stock options outstanding as at December 31, 2024 and 2023.

11. Exploration and evaluation expenditures

The following table details the exploration and evaluation expenditures incurred during the year ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Cost recoveries (note 7)	\$ -	\$ (35,000)
Part XI1.6 tax recovery	(15,716)	-
Technical services	-	9,688
	\$ (15,716)	\$ (25,312)

12. Income taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	December 31, 2024	December 31, 2023
Statutory rates	27%	27%
Income tax recovery (expense)	\$ 97,222	\$ 74,679
Permanent differences and other	(37,196)	13,343
Change in unrecognized deferred tax assets	(60,026)	(88,022)
Deferred income tax recovery (expense)	-	\$ -

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

12. Income taxes - continued

As at December 31, 2024 and 2023, the deferred tax assets are not recognized on the following temporary differences as it not probable that sufficient future taxable profits will be available to utilize such differences.

	December 31, 2024	December 31, 2023
Deferred tax assets (liabilities) - continuing operations		
Capital losses	\$ 4,055,037	\$ 4,055,037
Exploration and evaluation assets	965,911	965,911
Non-capital loss carry forwards	4,087,388	4,025,882
Other	121	724
Total gross deferred tax assets	9,108,458	9,047,554
Deferred tax assets not recognized	(9,105,083)	(9,045,056)
	3,375	2,498
Deferred tax liabilities	(3,375)	(2,498)
	\$ -	\$ -

At December 31, 2024, the Company has Canadian losses, which may be carried forward against future year's income for tax purposes subject to final determination by taxation authorities, expiring as follows:

	Year of expiry	Amount
	2026	\$ 558,187
	2027	1,812,507
	2028	2,104,451
	2029	1,273,826
	2030	997,877
	2031	1,217,072
	2032	852,910
	2033	1,331,821
	2034	610,033
	2036	1,498,627
	2037	740,605
	2038	907,344
	2039	317,177
	2040	211,873
	2042	310,162
	2043	166,200
	2044	202,804
		\$ 15,113,476

13. Related party transactions

Key management personnel are those persons that have the authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly. Key management personnel include the Company's directors and members of the senior management group.

Details of key management personnel compensation are as follows:

	For the year ended December 31,	
	2024	2023
Services provided:		
Consulting fees	\$ 120,000	\$ 120,000
Key management personnel compensation	\$ 120,000	\$ 120,000

13. Related party transactions - continued

As at December 31, 2024, the Company has a loan agreement with current management personnel whereby they have agreed to postpone repayment of the principal and interest totaling \$1,043,794 (2023- \$874,894), which is unsecured, and bears interest at 5% per annum and due on December 31, 2026. During the year ended December 31, 2024, interest expense of \$42,956 (2023 - \$36,489) was accrued on the loan and the creditor agreed to postpone an additional \$126,000 (2023 - \$126,000) in debt.

14. Management of capital risk

The Company's objectives when managing its capital is to maintain the ability to continue as a going concern in order to pursue a business development opportunity in the resource sector for the benefits of its stakeholders and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk level.

In the management of capital, the Company includes the components of debt and shareholders' deficit.

The Company manages the 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, issue new debt and acquire or dispose of assets. In order to maximize ongoing development efforts, the Company does not currently pay out dividends.

The Company's investment policy is generally to invest its cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. Periodically, the Company will invest in interest-bearing investments with maturities exceeding 90 days, if it is for a specific purpose.

The Company will be required to access financial resources through the issuance of securities via equity placements in the junior resource market or obtaining debt financing in the current year to sustain operations of the Company, complete restructuring and pursue business development opportunities in the resource sector. Further information related to management of capital risk and liquidity is set out in note 1.

15. Financial instruments and risk management

a) Fair values

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 – inputs for the asset or liability that are not based on observable market data.

The carrying values of the Company's cash, loan receivable, accounts payable and accrued liabilities and promissory note payable are representative of their respective fair values at December 31, 2024 due to their short-term nature. The fair value of loans payable may be less than the carrying value as a result of the Company's credit and liquidity risk. The Company's marketable securities of \$68,250 (2023 - \$65,000) are comprised of common shares of publicly-listed companies and are classified as Level 1 financial instruments.

b) Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Foreign exchange risk is assessed as low.

TGX ENERGY & RESOURCES INC. (formerly True North Gems Inc.)
Notes to the Consolidated Financial Statements
Years ended December 31, 2024 and 2023
(Expressed in Canadian dollars)

15. Financial instruments and risk management - continued

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed circumstances. The Company manages liquidity risk through the management of its capital structure and financial leverage.

The Company's contractual obligations at December 31, 2024 are as follows:

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	\$ 74,456	\$ -	\$ -	\$ 74,456
Promissory note payable	13,356	-	-	13,356
Loans payable	-	6,886,023	-	6,886,023
	\$ 87,812	\$ 6,886,023	\$ -	\$ 6,973,835

d) Interest risk

Interest risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any material interest rate risk as all interest rates on debt are fixed.

e) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, which is held with high-credit quality financial institutions in Canada. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

f) Price risk

The Company is exposed to price risk with respect to its marketable securities, which consists of common shares of a publicly listed company. The market price, or the fair value, of the common shares of this company can fluctuate significantly and there is no assurance that the future market price or the fair value of the company will not decrease significantly.

16. Subsequent events

Subsequent to December 31, 2024, the following transactions occurred:

- i. Effective March 21, 2025, the Company completed its consolidation of its fully paid and issued common shares on the basis of one post-consolidation share for each three pre-consolidation common share issued and outstanding. All share capital amounts have been restated to give effect to the share consolidation.
- ii. On April 23, 2025, the Company received a principal repayment of \$3,000 from AuQ Gold Mining Inc.