PROVENANCE GOLD CORP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Provenance Gold Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Provenance Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of 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 ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 has no source of revenue and has incurred operating loses since inception. The Company's ability to remain a going concern is dependent upon its ability to raise adequate financing and to commence profitable operations in the future. 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Significant judgements, note 2 – Accounting policy for Exploration and evaluation expenditures and note 3 Exploration and evaluation assets	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because 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 James Roxburgh.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 30, 2025

PROVENANCE GOLD CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	December 31, 2024	December 31, 2023
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		**2,567,530**	263,214
Receivables		**33,627**	5,915
Prepaid expenses and deposits		**6,957**	4,974
Total Current Assets		**2,608,114**	274,103
Non-Current Assets			
Reclamation bonds		**36,685**	36,685
Exploration and evaluation assets	3	**4,212,197**	2,686,968
Total Non-Current Assets		**4,248,882**	2,723,653
Total Assets		**6,856,996**	2,997,756
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	8	**672,198**	73,735
Loan payable	4	**47,500**	47,500
Total Liabilities		**719,698**	121,235
Shareholders' Equity			
Share capital	5	**12,761,609**	8,486,035
Contributed surplus	5	**952,406**	495,096
Accumulated deficit		**(7,576,717)**	(6,104,610)
Total Shareholders' Equity		**6,137,298**	2,876,521
Total Liabilities and Shareholders' Equity		**6,856,996**	2,997,756

Nature and continuance of operations (Note 1)
Subsequent event (Note 13)

Approved on April 30, 2025 on behalf of the Board

Director ____*"Rauno Perttu"*_______ Director ____*"Robert Clark*___
Rauno Perttu **Robert Clark**

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

PROVENANCE GOLD CORP.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	For the years ended December 31, 2024	2023
		$	**$**
Expenses			
Consulting and management fees	8	**336,922**	226,075
Shareholder communications		**260,434**	192,040
General and administrative		**26,385**	12,267
Professional fees		**64,952**	42,450
Regulatory transfer agent fees		**42,964**	31,874
Travel		**5,040**	6,987
Share-based compensation	5, 8	**413,280**	224,100
Loss before other items		**(1,149,977)**	(735,793)
Foreign exchange loss		**(35,172)**	(8,693)
Interest income		**720**	97
Impairment of exploration and evaluation assets	3	**(287,678)**	(437,709)
Net loss and comprehensive loss		**(1,472,107)**	(1,182,098)
Loss per share - basic and diluted	9	**(0.01)**	(0.01)
Weighted average number of common shares outstanding – basic and diluted		**106,680,461**	83,798,884

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

PROVENANCE GOLD CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
		#	$	$	$	$
Balance at December 31, 2022		**79,547,651**	**7,265,359**	**270,996**	**(4,922,512)**	**2,613,843**
Shares issued in private placement, net of costs	5	15,517,000	1,220,676	-	-	1,220,676
Share-based compensation	5	-	-	224,100	-	224,100
Net and comprehensive loss		-	-	-	(1,182,098)	(1,182,098)
Balance at December 31, 2023		**95,064,651**	**8,486,035**	**495,096**	**(6,104,610)**	**2,876,521**
Shares issued in private placement, net of costs	5	31,245,000	2,368,070	44,780	-	2,412,850
Warrants exercised	5	11,190,519	1,907,504	(750)	-	1,906,754
Share-based compensation	5	-	-	413,280	-	413,280
Net and comprehensive loss		-	-	-	(1,472,107)	(1,472,107)
Balance at December 31, 2024		**137,500,170**	**12,761,609**	**952,406**	**(7,576,717)**	**6,137,298**

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

PROVENANCE GOLD CORP.
Consolidated Statements of Cash Flow
(Expressed in Canadian Dollars)

	For the years ended December 31, **2024**	2023
	$	$
Cash provided by (used for):		
Operating activities		
Net loss for the year	**(1,472,107)**	(1,182,098)
Add items not involving cash:		
Impairment of exploration and evaluation asset	**287,678**	437,709
Share-based compensation	**413,280**	224,100
Change in non-cash working capital:		
Receivables	**(27,712)**	(2,588)
Prepaid expenses and deposits	**(1,983)**	974
Accounts payable and accrued liabilities	**95,352**	10,973
Cash used in operating activities	**(705,492)**	(510,930)
Investing activities		
Exploration and evaluation assets acquired	**(1,309,796)**	(832,389)
Cash used in investing activities	**(1,309,796)**	(832,389)
Financing activities		
Private placement, net of cost	**2,412,850**	1,220,676
Warrants exercised	**1,906,754**	-
Cash provided by financing activities	**4,319,604**	1,220,676
Change in cash during the year	**2,304,316**	(122,643)
Cash, beginning of the year	**263,214**	385,857
Cash, end of the year	**2,567,530**	263,214

Supplementary cash flow information (Note 11)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Provenance Gold Corp. (formerly Sparx Energy Corp.) ("Provenance" or the "Company") was incorporated in the Province of British Columbia on October 5, 2012. For the period October 5, 2012 to May 31, 2013, the Company was a wholly-owned subsidiary of Aldever Resources Inc. (now Kiplin Metals Inc. and formerly Glenmark Capital Corp.) ("Aldever"), which is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

During October, 2012, Aldever's board of directors approved a plan of arrangement (the "Arrangement") between Aldever and its four wholly-owned subsidiaries, including Provenance. As a result of the completion of the Arrangement on May 31, 2013, Aldever ceased to be a shareholder of Provenance and the Company became a reporting issuer in its own right. Provenance is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests.

On January 16, 2017, the Company changed its name to Provenance Gold Corp.

The Company's principal office and registered and records office is located at 2200-885 West Georgia Street, Vancouver, BC, V6C 3E8.

These consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has no source of operating revenue, has incurred operating losses of $7,576,717 since inception, and as at December 31, 2024 had a working capital surplus of $1,888,416. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Further discussion of liquidity risk is included in Note 6.

These consolidated financial statements were authorized for issue on April 30, 2025 by the directors of the Company.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The presentation and functional currency of the Company is the Canadian dollar. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

Use of estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the assessment of indications of impairment of each mineral property and related determinations of the net realizable value and write-down of those properties where applicable.

Basis of consolidation

These financial statements include the accounts of the Company and its wholly owned subsidiaries 1084160 B.C. Ltd., formerly Provenance Gold Corp. ("PGC"), Provenance Gold USA ("PG USA") and Cariboo Gold Producers Inc. ("CGPI) (see Note 3). PGC is incorporated in the province of British Columbia, PG USA is incorporated in the state of Nevada, U.S.A. and CGPI is incorporated in the province of Alberta.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it 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. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated financial statements.

Foreign currency transactions

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of comprehensive loss.

Financial Instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. The Company has classified its cash and cash equivalents, receivables (excluding sales tax receivable) and reclamation bonds as financial assets subsequently measured at amortized cost.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial Instruments

All financial liabilities are initially recognized at fair value, inclusive of any directly attributable transaction costs, on the date at which the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. The Company has classified its accounts payable and accrued liabilities and loan payable as financial liabilities subsequently measured at amortized cost.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of operations and comprehensive loss. As at December 31, 2024 and 2023, the Company had no derivative financial instruments.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statements of operations and comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of operations and comprehensive loss.

Exploration and evaluation expenditures

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Exploration and evaluation expenditures

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Asset retirement obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow. As of December 31, 2024, the Company did not have any asset retirement or environmental obligations.

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income is also recognized directly in equity or other comprehensive income.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the common shares are issued.

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. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

New accounting standards issued

There were no new accounting standards adopted during the year that had a material impact on the consolidated financial statements, nor are there any new or anticipated accounting standards that the Company expects will have a material impact on the consolidate financial statements.

3. EXPLORATION AND EVALUATION ASSETS

Silver Bow Property, Nevada U.S.A.

On August 29, 2018, the Company entered into the Silver Bow Nevada Property Option Agreement (the "SB Agreement") to acquire a 100% interest in 73 mineral claims referred to as the Silver Bow property and 10 claims referred to as Golden Ridge Property, located in Nevada, USA.

During the year ended December 31, 2024, the SB Agreement was terminated. In connection with the termination of the SB Agreement, the Company recorded a loss on the impairment of exploration and evaluation assets of $287,678. This amount was recorded on the statement of operations and comprehensive loss.

During the term of the SB Agreement, the Company incurred option payments in the aggregate of US$100,000.

As at December 31, 2024, the Company holds direct title to 22 mineral claims comprising the Silver Bow Property.

On August 20, 2019, the Company, through its subsidiary PG USA, entered into a Mining Lease and Assignment (the "Lease") with a trust (the "Lessor") and two estates in Nevada, USA. Pursuant to the Lease, the Lessor granted, let and leased to PG USA all of its rights, title and interests in and to the Blue Horse patented mining claim, including the Lessor's interest in all minerals, situated in Nye County, Nevada (the "Property").

During the year ended December 31, 2023, the Lease was allowed to lapse. In connection with the lapse of 88 mineral claims and the termination of the Lease, the Company recorded a loss on the impairment of exploration and evaluation assets of $437,709. This amount was recorded on the statement of operations and comprehensive loss.

During the term of the Lease, the Company incurred lease payments in the aggregate of US$35,000.

White Rock Property, Nevada U.S.A.

On June 12, 2020, the Company, through its subsidiary PG USA, entered into the Provenance Gold USA Option Agreement (the "Option Agreement") with a wholly-owned Nevada subsidiary ("NSRI") of Ely Gold Royalties Inc. Pursuant to the Option Agreement, PG USA had the sole and exclusive right and option to purchase 100% of NSRI's right, title and interest in and to 30 unpatented mining claims and certain existing data (as defined) (collectively, the "White Rock Property") and any related, additional data, information and records acquired by NSRI during the option period.

The total purchase price for the White Rock Property was US$250,000 to be paid as option payments as follows (all amounts are in US dollars):

- $10,000 on signing *(paid);*
- $25,000 by June 12, 2021 *(paid);*
- $40,000 by June 12, 2022 *(paid);*
- $50,000 by June 12, 2023 *(paid);* and
- $125,000 by June 12, 2024 *(paid).*

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

White Rock Property, Nevada U.S.A. (continued)

During the year ended December 31, 2024, the Company made the final option payment and acquired a 100% interest in the White Rock Property.

PG USA will pay NSRI a production royalty of 2% of NSR on all mineral production from the unpatented mining claims

If either party or its affiliates acquires, directly or indirectly, any additional mining claims located wholly or partly within a distance of two miles from the outermost perimeter of the White Rock Property, the additional claims will be included in and form part of the White Rock Property and be subject to the Option Agreement.

Eldorado Property, Oregon, USA

On January 14, 2022, the Company, through its subsidiary PG USA, entered into an option agreement with Nevada Select Royalty, Inc ("Nevada Select"). Pursuant to the option agreement, Nevada Select gives and grants to PG USA the sole and exclusive right and option to purchase 100% of Nevada Select's right, title and interest in and to 19 unpatented mining claims and certain existing data (as defined) (collectively, the "Eldorado Property") and any related, additional data, information and records acquired by Nevada Select during the option period.

The option will remain in force during the term of the option agreement from the effective date to and including the first to occur of (a) the option closing; (b) the termination of the option agreement; or (c) five years from the initial closing date.

The total purchase price for the Eldorado Property is US$2,000,000.

On December 8, 2023 and December 20, 2024, the Company amended the payment terms of the Nevada Select option agreement whereby the purchase price is to be paid as follows (all amounts are in US dollars):

- $75,000 on closing of the option agreement *(paid);*
- $125,000 on or before January 14, 2023 *(paid);*
- $100,000 on or before January 14, 2024 *(paid);*
- $100,000 on or before April 14, 2024 *(paid)*;
- $200,000 on or before July 14, 2024*(paid)*;
- $133,333 on or before March 31, 2025 *(paid);*
- $133,333 on or before June 30, 2025;
- $133,334 on or before September 30, 2025;
- $500,000 on or before January 14, 2026; and
- $500,000 on or before January 14, 2027.

Subject to the termination of the option agreement, until all option payments are made and the option is exercised and closed, PG USA is responsible for paying all mining claim maintenance and rental fees required to be paid to keep the claims in good standing.

Upon the exercise of the option agreement, PG USA will grant to Nevada Select a 3% NSR in respect of all products produced from the property.

During the option period and following the option exercise if the option closing occurs and unless otherwise agreed by the parties, if either party or its affiliates acquires, directly or indirectly, any additional mining claims located wholly or partly within a distance of two miles from the outermost perimeter of the Eldorado Property, the additional claims will be included in and form part of the Eldorado Property and be subject to the option agreement.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Eldorado Property, Oregon, USA (continued)

PG USA may terminate the option agreement without further liability at any time by giving written notice of termination to Nevada Select. In the event of a material default by PG USA, PG USA will have at least 30 days to cure the default and, if not cured, Nevada Select may terminate the option agreement by giving written notice to PG USA.

After termination of the option agreement, PG USA is required to:

- pay to Nevada Select any governmental fees due with respect to the property within 60 days or less from the date of termination;
- complete all required reclamation obligations directly arising as a result of its exploration activities; and
- deliver to Nevada Select, within 90 days of the termination, the data and information created or generated by PG USA during the option period on the property and deliver to Nevada Select all existing data possessed by PG USA.

During the year ended December 31, 2024, the Company acquired by staking 42 additional unpatented mining claims at the Eldorado Property.

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred during the years ended December 31, 2024 and 2023:

	White Rock	USA Silver Bow	Eldorado	Total
	$	$	$	$
Acquisition Costs				
Balance, December 31, 2023	284,314	42,695	270,690	597,699
Additions	207,363	13,702	570,704	791,769
Impairment	-	(56,397)	-	(56,397)
Acquisition costs, December 31, 2024	**491,677**	**-**	**841,394**	**1,333,071**
Exploration Costs				
Balance, December 31, 2023	1,171,642	207,413	710,214	2,089,269
Additions	6,477	23,868	990,793	1,021,138
Impairment	-	(231,281)	-	(231,281)
Exploration costs, December 31, 2024	**1,178,119**	**-**	**1,701,007**	**2,879,126**
Balance, December 31, 2024	**1,669,796**	**-**	**2,542,401**	**4,212,197**

	White Rock	USA Silver Bow	Eldorado	Total
	$	$	$	$
Acquisition Costs				
Balance, December 31, 2022	183,337	212,893	100,180	496,410
Additions	100,977	-	170,510	271,487
Impairment	-	(170,198)	-	(170,198)
Acquisition costs, December 31, 2023	**284,314**	**42,695**	**270,690**	**597,699**
Exploration Costs				
Balance, December 31, 2022	1,168,862	473,424	139,347	1,781,633
Additions	2,780	1,500	570,867	575,147
Impairment	-	(267,511)	-	(267,511)
Exploration costs, December 31, 2023	**1,171,642**	**207,413**	**710,214**	**2,089,269**
Balance, December 31, 2023	**1,455,956**	**250,108**	**980,904**	**2,686,968**

(Expressed in Canadian Dollars)

4. LOAN PAYABLE

On January 29, 2019, the Company received $47,500 from an individual in respect of a non-brokered private placement. As at December 31, 2024, no units have not been issued and accordingly, this amount has been classified as a non-interest bearing loan without specific terms of repayment.

5. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares, without par value.

Issued

At December 31, 2024, there were 137,500,170 common shares (December 31, 2023 – 95,064,651) issued and outstanding.

2024

On June 28, 2024, the Company closed the first tranche of a non-brokered private placement of 12,913,750 units at a price of $0.08 per unit for gross proceeds of $1,033,100. Each unit consists of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.12 per share until June 28, 2027. In connection with closing of the first tranche, the Company incurred cash share issue costs of $46,435 and issued 360,763 broker warrants, with the broker warrants having the same terms as the unit warrants. The broker warrants were ascribed a fair value of $18,039.

On October 9, 2024, the Company closed the final tranche of a non-brokered private placement of 18,331,250 units at a price of $0.08 per unit for gross proceeds of $1,466,500. Each unit consists of one common share of the Company and one common share purchase warrant with each warrant entitling the holder to purchase one additional common share of the Company at a price of $0.12 per share until October 9, 2027. In connection with closing of the final tranche, the Company incurred cash share issue costs of $40,315 and issued 160,125 broker warrants, with the broker warrants having the same terms as the unit warrants. The broker warrants were ascribed a fair value of $26,741.

2023

Warrants

Details of common share purchase warrants outstanding at December 31, 2024 are as follows:

	Outstanding Warrants		Exercise Price	Expiry Date	Remaining Life (Years)
Share purchase warrants					
Issued in private placement	1,718,750	$	0.24	January 13, 2025	0.04
Issued in private placement	1,660,444		0.15	August 6, 2025	0.60
Issued in private placement	8,750,000		0.15	February 12, 2026	1.12
Issued in private placement	1,930,000		0.15	April 21, 2026	1.30
Issued in private placement	14,129,500		0.12	September 22, 2026	1.73
Issued in private placement	12,234,513		0.12	June 28, 2027	2.47
Issued in private placement	18,366,375		0.12	October 9, 2027	2.77
	58,789,582	**$**	**0.13**		**2.03**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (CONTINUED)

Warrants (continued)

Common share purchase warrant transactions during the years ended December 31, 2024 and 2023 were as follows:

	Year ended December 31, 2024			Year ended December 31, 2023		
	Number of Warrants		**Weighted Average Exercise Price ($)**	**Number of Warrants**		**Weighted Average Exercise Price ($)**
Opening balance	51,295,520	$	0.16	35,778,520	$	0.18
Expired	(13,081,307)		0.20	-		-
Exercised	(11,190,519)		0.17	-		-
Issued in private placement	31,765,888		0.12	15,517,000		0.12
Closing balance	**58,789,582**	**$**	**0.13**	**51,295,520**	**$**	**0.16**

The fair values of the broker warrants issued during the year ended December 31, 2024 were calculated using the Black-Scholes pricing model utilizing the following assumptions:

	October 9, 2024	**June 28, 2024**
Risk-free interest rate	3.18%	3.82%
Expected stock volatility	114%	114%
Expected life	3 years	3 years
Dividend yield	Nil	Nil

Stock Options

The Company has adopted an incentive stock option plan which provides that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable up to five years from the date of grant, unless the Board establishes more restrictive terms. The fair value of each option grant will be estimated on the date of grant using the Black-Scholes option pricing model.

2024

On September 27, 2024, the Company granted 4,800,000 stock options to directors, employees, officers and consultants at an exercise price of $0.12 per common share with an expiry date of September 26, 2027. The options vested immediately, and the fair value of the stock options granted was estimated to be $413,280 which was recorded in the statements of operations and comprehensive loss.

2023

On February 6, 2023, the Company granted 3,000,000 stock options to directors, employees, officers and consultants at an exercise price of $0.105 per common share with an expiry date of February 6, 2026. The options vested immediately, and the fair value of the stock options granted was estimated to be $224,100 which was recorded in the statements of operations and comprehensive loss.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL AND RESERVES (CONTINUED)

Stock Options (continued)

Outstanding stock options as at December 31, 2024 are as follows:

Options Outstanding and Exercisable		Exercise Price	Expiry Date	Weighted Average Remaining Life (Years)
3,000,000	$	0.105	February 6, 2026	1.10
4,800,000		0.12	September 26, 2027	2.74
7,800,000	**$**	**0.11**		**2.11**

Stock option transactions during the years ended December 31, 2024 and 2023 were as follows:

	Year ended December 31, 2024			Year ended December 31, 2023		
	Number of Options		**Weighted Average Exercise Price ($)**	**Number of Options**		**Weighted Average Exercise Price ($)**
Opening balance	3,000,000	$	0.11	-	$	-
Issued	4,800,000		0.12	3,000,000		0.11
Closing balance	**7,800,000**	**$**	**0.11**	**3,000,000**	**$**	**0.11**

The fair value of the stock options issued during the years ended December 31, 2024 and 2023 was calculated using the Black-Scholes option pricing model utilizing the following assumptions:

	September 27, 2024	**February 6, 2023**
Risk-free interest rate	2.94%	4.04%
Expected stock volatility	112%	118%
Expected life	3 years	3 years
Dividend yield	Nil	Nil

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2024, the Company's financial instruments consist of cash and cash equivalents, receivables (excluding sales tax receivable) reclamation bonds, accounts payable and accrued liabilities and loan payable.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The Company does not have any financial instruments classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

The Company does not have any financial instruments carried at fair value.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

In management's opinion, the Company's carrying values of cash and cash equivalents, receivables (excluding sales tax receivable), reclamation bonds, accounts payable and accrued liabilities and loan payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risk arising from its cash holdings. The Company manages credit risk by placing cash with major Canadian financial institutions. Credit risk is assessed as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due. Historically, the Company's sole source of funding has been the issuance of equity securities for cash primarily through private placements and loans and advances from lenders and related parties. The Company's access to financing is always uncertain and there can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not affected by price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchanges rates. The Company's property interests in the USA make it subject to foreign currency fluctuations. As at December 31, 2024, the Company had liabilities of US$376,160 denominated in US dollars which were translated into Canadian Dollars for financial reporting. The Company does not use any form of derivative or hedging instruments to reduce its foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

7. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares. Its principal source of cash is from the issuance of common shares and funds advanced by investors. The Company's capital management objectives are to safeguard its ability to continue as a going concern. The Company does not have any externally imposed capital requirements to which it is subject. 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.

8. RELATED PARTY TRANSACTIONS

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount agreed to by the related parties. Unless otherwise indicated, the balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from advances or the provision of services and fees described.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (CONTINUED)

During the year ended December 31, 2024, the Company incurred $97,500 (December 31, 2023 - $71,250) in consulting and management fees paid to the Chief Executive Officer (the "CEO") of the Company; $135,000 (December 31, 2023 - $100,000) in consulting and management fees paid to a company controlled by the President of the Company; and $48,000 (December 31, 2023 - $48,000) in consulting and management fees paid to a company controlled by the Chief Financial Officer (the "CFO") of the Company.

During the year ended December 31, 2024, the Company incurred share-based compensation expense of $206,640 in relation to options issued to officers, directors and companies controlled by officers and directors of the Company (December 31, 2023 - $145,665).

Related Party Balances

At December 31, 2024, accounts payable and accrued liabilities included $35,000 (December 31, 2023 – $nil) payable to related parties in respect of consulting fees incurred during the current period.

9. LOSS PER SHARE

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. The stock options and warrants outstanding as of December 31, 2024 have not been included in the calculation of diluted loss per share as the effect of their inclusion would be anti-dilutive. Loss per share is calculated as follows:

		December 31, 2024		December 31, 2023
Net loss	$	**(1,472,107)**	$	(1,182,098)
Weighted average number of shares outstanding		**106,680,461**		83,798,884
Basic and diluted loss per share	$	**(0.01)**	$	(0.01)

10. INCOME TAX

The reconciliation of the income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2024 ($)	2023 ($)
Net loss for the year	**(1,472,107)**	(1,182,098)
Combined federal and provincial income tax rate	**27.00%**	27.00%
Expected tax recovery	**(397,469)**	(319,166)
Net effect of deductible and non-deductible amounts	**89,992**	55,268
True-up of prior period amounts	**15,877**	108
Increase in unrecognized deferred tax assets	**291,600**	263,790
Total income tax recovery	**-**	-

Unused tax losses and resource pools for which no deferred tax assets have been recognized are attributable to the following:

	2024 ($)	2023 ($)
Exploration and evaluation assets	**2,329,000**	2,042,000
Non-capital losses carried forward (1)	**4,186,000**	3,447,000
Share issue costs	**95,000**	41,000
	6,610,000	5,530,000

(1) These losses are available to be utilized as deductions against future years' Canadian taxable income from Canadian operations and capital gains. These non-capital losses, if not utilized, will expire between 2033 and 2044.

(Expressed in Canadian Dollars)

11. SUPPLEMENTARY DISCLOSURES WITH RESPECT TO CASH FLOWS

As at December 31, 2024, $536,980 relating to exploration and evaluation assets is included in accounts payable and accrued liabilities (December 31, 2023 - $33,869).

12. SEGMENTED FINANCIAL INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in North America (Oregon and Nevada, USA). Geographic information is as follows:

		December 31, 2024		December 31, 2023
Non-current assets:				
USA	**$**	**4,248,882**	$	2,723,653
	$	**4,248,882**	$	2,723,653

13. SUBSEQUENT EVENT

Subsequent to December 31, 2024:

- The Company issued 1,132,000 common shares pursuant to the exercise of warrants.