

ALERIO GOLD CORP.

Condensed Interim Financial Statements

For the six months ended February 28, 2025 and February 29, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the six months ended February 28, 2025 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

ALERIO GOLD CORP.

Condensed Interim Statements of Financial Position

As at February 28, 2025 and August 31, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	February 28, 2025	August 31, 2024
Assets		
Current Assets		
Cash	\$ 2,972	\$ 3,085
Prepaid expenses	141	–
Total Assets	\$ 3,113	\$ 3,085
Liabilities and Shareholders' Deficiency		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 8 and 12)	\$ 1,078,592	\$ 930,875
Loans payable (Note 6)	412,400	377,700
Total Liabilities	1,490,992	1,308,575
Shareholders' Equity (Deficiency)		
Share capital (Note 7)	18,226,621	18,226,621
Reserves (Note 7)	293,617	293,617
Deficit	(20,008,117)	(19,825,728)
Total Shareholders' Deficiency	(1,487,879)	(1,305,490)
Total Liabilities and Shareholders' Deficiency	\$ 3,113	\$ 3,085

Nature of Operations and Going Concern (Note 1)

Contingency (Note 12)

Approved on behalf of the Board of Directors:

"Allan Fabbro" (signed)
Director

"Geoff Balderson" (signed)
Director

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

ALERIO GOLD CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

For the three and six months ended February 28, 2025 and February 29, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	For the three months ended		For the six months ended	
	February 28, 2025	February 29, 2024	February 28, 2025	February 29, 2024
Expenses				
Consulting fees (Note 8)	\$ 9,450	\$ 19,950	\$ 18,900	\$ 29,400
Exploration costs (Note 5)	122,496	27,047	122,496	51,055
Filing and transfer agent fees	4,756	4,185	8,263	7,640
Interest and bank charges	20,310	4,948	20,835	5,154
Legal fees	4,442	3,580	11,895	5,022
Marketing	-	3,467	-	8,600
Office expense	-	107	-	108
	161,454	63,284	182,389	106,979
Net loss and comprehensive loss for the period	\$ (161,454)	\$ (63,284)	\$ (182,389)	\$ (106,979)
Basic and Diluted Loss per Share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted Average Number of Common Shares Outstanding	101,230,827	101,230,827	101,230,827	101,230,827

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

ALERO GOLD CORP.

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

For the six months ended February 28, 2025 and February 29, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Share Capital		Reserves	Deficit	Total Shareholders' Equity (Deficit)
	Number Outstanding	Amount			
Balance, August 31, 2023	101,230,827	\$ 18,226,621	\$ 293,617	\$ (3,364,997)	\$ 15,155,241
Net loss and comprehensive loss for the period	–	–	–	(106,979)	(106,979)
Balance, February 29, 2024	101,230,827	\$ 18,226,621	\$ 293,617	\$ (3,471,976)	\$ 15,048,262
Balance, August 31, 2024	101,230,827	\$ 18,226,621	293,617	(19,825,728)	(1,305,490)
Net loss and comprehensive loss for the period	–	–	–	(182,389)	(182,389)
Balance, February 28, 2025	101,230,827	\$ 18,226,621	\$ 293,617	\$(20,008,117)	\$ (1,487,879)

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

ALERIO GOLD CORP.

Condensed Interim Statements of Cash Flows

For the six months ended February 28, 2025 and February 29, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	For the six months ended	
	February 28, 2025	February 29, 2024
Cash Provided by (Used In)		
Operating Activities		
Net loss for the period	\$ (182,389)	\$ (106,979)
Change in working capital balances:		
Prepaid expenses	(141)	17,654
Accounts payable and accrued liabilities	147,717	31,563
Cash used in operating activities	(34,813)	(57,762)
Financing Activity		
Loans payable	34,700	57,700
Cash provided by financing activity	34,700	57,700
Change in cash for the period	(113)	(62)
Cash, beginning of period	3,085	17
Cash (bank indebtedness), end of period	\$ 2,972	\$ (45)
Supplemental Cash Flow Information:		
Amounts paid for interest	\$ -	\$ -
Amounts paid for taxes	\$ -	\$ -

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

ALERIO GOLD CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended February 28, 2025

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

Alerio Gold Corp. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on March 22, 2018. On June 11, 2019, the Company completed its initial public offering (“IPO”). On October 28, 2021, the Company changed its name to Alerio Gold Corp. from Project One Resources Ltd. and is listed on the Canadian Securities Exchange (“CSE”) under the ticker ALE. The principal business of the Company is the acquisition, exploration, and evaluation of resource properties with its main focus in Guyana, South America. On November 22, 2021, the Company was accepted for listing and commenced trading on the Frankfurt Stock Exchange under the symbol “3FRO” with a WKN number of A3C6XZ.

The Company's head office address is Suite 459, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, and its registered office address is Suite 1710, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended February 28, 2025, the Company had no revenues and incurred negative cash flow from operations. As at February 28, 2025, the Company had a working capital deficit of \$1,487,879 and an accumulated deficit of \$20,008,117. Without additional financing, the Company may not be able to fund its ongoing operations and complete exploration activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. 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. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. These condensed interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at the year ended August 31, 2024.

The condensed interim financial statements were authorized for issue by the Board of Directors on April 29, 2025.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the material accounting policy information set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

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3. MATERIAL ACCOUNTING POLICY INFORMATION

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2024.

Recent accounting pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended August 31, 2024, and have not been applied in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. See Note 1.

Recoverability of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economic assessments/studies, accessible facilities and existing permits.

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5. EXPLORATION AND EVALUATION ASSETS

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

	Tassawini and Harpy Properties \$	Purini Property \$	Total \$
<i>Acquisition Costs:</i>			
Balance, August 31, 2023	13,336,107	2,869,843	16,205,950
Impairment	(13,336,107)	(2,869,843)	(16,205,950)
Balance, August 31, 2024 and February 28, 2025	–	–	–

Tassawini and Harpy properties, Guyana

On October 5, 2021, the Company entered into an agreement to acquire 100% of the right, title and interest to two gold properties in Guyana known as the Tassawini and Harpy properties with each property holding four mining permits. As consideration, the Company paid \$636,889 (US\$500,000) and issued 50,000,000 common shares with a fair value of \$12,500,000. The Company also capitalized \$199,218 in legal costs incurred in connection with this acquisition. Goldeneye Capital Ltd. will retain a 3% royalty over the Tassawini property, and the Company has an option to repurchase up to one-half of the 3% royalty for US\$3,000,000 per percentage point.

During the year ended August 31, 2024, the Company recorded an impairment of \$13,336,107 due to the lack of funds needed to conduct exploration activities.

Purini property, Guyana

On June 28, 2022, the Company entered into an asset purchase agreement with Purini Partnership to acquire 100% interest in five prospecting permits located near the Purini River in the Mazaruni Mining District No. 3, Guyana. As consideration, the Company paid \$300,000 and issued 27,000,000 common shares with a fair value of \$2,430,000. In connection with the asset purchase, the Company issued 1,000,000 common shares with a fair value of \$100,000 to RSJ Consulting Inc. to facilitate the transaction. The Company also capitalized \$39,843 in legal costs incurred in connection with this asset purchase.

During the year ended August 31, 2024, the Company recorded an impairment of \$2,869,843 due to the lack of funds needed to conduct exploration activities.

Details of exploration activities during the six months ended February 28, 2025 and February 29, 2024 are as follows:

	February 28, 2025	February 29, 2024
Security	\$ 122,496	\$ 51,055

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6. LOANS PAYABLE (Note 8)

- (a) On February 8, 2023, the Company entered into a loan agreement with a lender at arm's length for proceeds of \$100,000. The loan is unsecured, non-interest bearing, and due on or before 90 days from the date of advance. In connection with this loan, the Company issued 1,000,000 share purchase warrants exercisable at \$0.10 per common share expiring on February 8, 2024. The share purchase warrants had a fair value of \$22,192 which was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.76%; dividend yield of 0%; volatility of 146%; and an expected life of one year. The lender and the Company agreed to cancel the 1,000,000 share purchase warrants issued on February 8, 2023.

On June 30, 2023, the Company entered into a loan agreement with the lender at arm's length for \$200,000 which replaced the February 8, 2023 agreement. The loan is unsecured, non-interest bearing, and due on demand. In connection with the loan, the Company agreed to pay a fee of \$40,000 and issue 3,000,000 share purchase warrants exercisable at \$0.05 per common share expiring on June 30, 2026. The share purchase warrants had a fair value of \$76,500 which was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4%; dividend yield of 0%; volatility of 135%; and an expected life of three years.

- (b) On December 15, 2023, the Company issued a promissory note to a lender at arm's length for proceeds of \$57,700. The promissory note is unsecured, non-interest bearing, and due on demand. On November 14, 2024, the Company issued a promissory note for proceeds of \$19,700 to a non-related party. The promissory note is unsecured, non-interest bearing, and due on March 14, 2025. The Company is currently negotiating new terms with the lender.
- (c) On April 25, 2024, the Company issued a promissory note to a director of the Company for proceeds of \$35,000. The promissory note is unsecured, non-interest bearing, and due on demand.
- (d) On April 26, 2024, the Company issued a promissory note to a lender at arm's length for proceeds of \$30,000. The promissory note is unsecured, non-interest bearing, and due on demand.
- (e) On July 23, 2024, the Company issued a promissory note to the CEO of the Company for proceeds of \$15,000. The promissory note is unsecured, non-interest bearing, and due on demand.
- (f) On October 17, 2024, the Company issued promissory notes for proceeds of \$15,000 to non-related parties. The promissory notes are unsecured, non-interest bearing, and were due on January 31, 2025. The Company is currently negotiating new terms with the lenders.

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7. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

As at February 28, 2025 and August 31, 2024, the Company had 101,230,827 common shares outstanding.

There was no share transactions during the six months ended February 28, 2025 and for the year ended August 31, 2024.

(c) Escrow shares

On October 28, 2021, the Company executed escrow agreements with an escrow agent and a security holder where they agreed to deposit 42,400,000 common shares in escrow. Under the escrow agreement, 10% of the shares were released on November 3, 2021 and 15% of the shares will be released every six months following. As at February 28, 2025, the Company has Nil (August 31, 2024 – 6,360,000) common shares held in escrow.

(d) Stock options

The Company's stock option plan authorizes the issuance of options up to a maximum of 10% of the Company's issued shares. The exercise price of any option granted shall not be less than the fair market value of the shares at the time of the grant. The expiry date for each option, set by the Board of Directors at the time of issue, shall not be more than ten years after the grant date. Unless stipulated by the Board of Directors, options granted generally vest fully on the date of grant.

There are no stock options outstanding during the six months ended February 28, 2025 and for the year ended August 31, 2024.

(e) Share purchase warrants

			February 28, 2025		August 31, 2024	
	Number of share purchase warrants	Weighted average exercise price	Number of share purchase warrants	Weighted average exercise price		
Outstanding, beginning of period	3,000,000	\$ 0.05	6,605,870	\$ 0.24		
Expired	-	-	(3,605,870)	0.40		
Outstanding, end of period	3,000,000	\$ 0.05	3,000,000	\$ 0.05		

Number of warrants outstanding	Exercise price	Expiry date	Weighted average remaining life (years)
3,000,000	\$ 0.05	June 30, 2026	1.33

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8. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers.

		For the six months ended	
		February 28, 2025	February 29, 2025
Consulting fees			
	Harmony Corporate Services Ltd., a company controlled by the CFO	\$ 18,900	\$ 18,900
		\$ 18,900	\$ 18,900

Included in accounts payable and accrued liabilities for February 28, 2025 are the following:

- (a) \$55,991 (August 31, 2024 – \$37,090) owed to a company controlled by the CFO.
- (b) \$50,500 (August 31, 2024 – \$50,500) owed to a company controlled by the VP of Corporate Development.
- (c) \$9,975 (August 31, 2024 – \$9,975) owed to a company controlled by the COO.

9. RISK MANAGEMENT

- (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

- (b) Foreign exchange rate risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has mineral exploration properties located in Guyana. As at February 28, 2025, the Company did not have any significant financial assets or liabilities denominated in a foreign currency. Foreign exchange rate risk will arise from purchase transactions as well as financial assets and liabilities denominated in a foreign currency.

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For the six months ended February 28, 2025

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(Unaudited – Prepared by Management)

9. RISK MANAGEMENT – (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

As at February 28, 2025 the Company had cash of \$2,972 (August 31, 2024 – \$3,085) available to apply against short-term business requirements and current liabilities of \$1,490,992 (August 31, 2024 – \$1,313,825). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of February 28, 2025. The Company relies on raising debt or equity financing in a timely manner.

(d) Interest rate risk

Interest rate 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 significant interest rate risk as it does not have any liabilities with variable rates.

(e) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. SEGMENTED INFORMATION

The Company has one operating segment, the acquisition, exploration, and evaluation of resource properties. All non-current assets are located in Guyana.

11. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company did not change its approach to capital management during the period ended February 28, 2025.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

ALERIO GOLD CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended February 28, 2025

(Expressed in Canadian Dollars)

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12. CONTINGENCY

On November 7, 2023, a legal proceeding was filed against the Company for breach of contract. The Company entered into a marketing agreement with the plaintiff on February 2, 2022, pursuant to which the plaintiff was to provide marketing services to the Company at \$22,500 per month plus taxes for an initial term of twelve months and automatically renewed for successive six-month periods until written notice is provided by the Company at least 30 days prior to the end of the initial term or a renewal term. The amount of the claim is \$405,000. This amount is included in accounts payable and accrued liabilities as of February 28, 2025 and August 31, 2024