MENĒ INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Mene Inc.

Opinion

We have audited the consolidated financial statements of Mene Inc. and its subsidiary (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 income, consolidated statements of cash flows and consolidated statements of changes in equity 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 consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

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. 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

We have determined that there were no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

McGovern Hurley

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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 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 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 judgement 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 risks 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.

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 of the audit resulting in this independent auditor's report is Soheil Talebi.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 30, 2025

Menē Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note		December 31, 2024		December 31, 2023
Assets					
Cash		$	7,394,120	$	8,094,511
Trade and other receivables	5		536,317		154,289
Inventory	6		11,078,364		7,607,090
Short-term investments	7		178,279		165,486
Prepaid and other assets			50,020		216,775
Total current assets			19,237,100		16,238,151
Property and equipment	8		750,840		752,834
Right-of-use asset	10		656,410		728,187
Intangible assets	9		404,918		504,185
Total assets		$	21,049,268	$	18,223,357
Equity and Liabilities					
Liabilities					
Accounts payable and accrued liabilities		$	1,560,131	$	931,701
Deferred revenue			993,892		541,664
Current portion of lease liabilities	10		161,524		143,448
Total current liabilities			2,715,547		1,616,813
Lease liabilities	10		563,772		624,796
Total liabilities			3,279,319		2,241,609
Shareholders' Equity					
Share capital	12	$	32,298,115	$	32,098,294
Contributed surplus	13		7,680,964		6,059,058
Accumulated other comprehensive loss			715,634		(244,773)
Deficit			(22,924,764)		(21,930,831)
Total shareholders' equity			17,769,949		15,981,748
Total shareholders' equity and liabilities		$	21,049,268	$	18,223,357

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

Approved on behalf of the Board:

"Roy Sebag", Director
"Joshua Crumb", Director

Menē Inc.

Consolidated Statements of Operations and Comprehensive Income
(Expressed in Canadian Dollars)

	Note	For the year ended December 31, 2024		December 31, 2023	
Revenue		$	25,799,786	$	23,289,854
Cost of Sales			(18,331,930)		(17,460,389)
Gross Profit			7,467,856		5,829,465
Operating Expenses					
Advertising and promotion		$	1,081,296	$	584,196
Personnel related expenses	17		2,355,049		1,904,690
Professional fees			382,994		812,568
Distribution centre and processing			2,377,905		2,067,083
Stock-based compensation	13,17		1,877,934		742,006
General and administrative			323,640		589,684
Foreign exchange loss (gain)			(265)		9,995
Technology and development costs			139,541		116,736
Depreciation and amortization	8,9,10		211,460		216,162
Total operating expenses			8,749,554		7,043,120
Operating income (loss) for the year		$	(1,281,698)	$	(1,213,655)
Interest income			308,233		378,368
Interest and accretion expense	10		(163,426)		(376,647)
Gain (loss) on revaluation of precious metal note payable to related party	11		-		(1,051,132)
Gain (loss) on other financial assets			-		18,107
Gain on inventory sale agreement	6		142,958		49,964
Gain (loss) on revaluation of digital assets			-		207,257
Net income (loss) before income taxes			(993,933)		(1,987,738)
Deferred income tax (expense) recovery	15		-		-
Net loss for the year		$	(993,933)	$	(1,987,738)
Other comprehensive income (loss)					
Items that will be reclassified subsequently to income:					
Unrealized (loss) gain on foreign currency translation			960,407		(241,646)
Other comprehensive income (loss) for the year		$	960,407	$	(241,646)
Net loss and comprehensive loss for the year		$	(33,526)	$	(2,229,384)
Net loss attributable to equity holders:		$	(993,933)	$	(1,987,738)
Basic and diluted earnings per share					
Basic	14	$	(0.00)	$	(0.01)
Weighted average number of common shares					
Basic	14		259,974,779		259,765,981

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

Menē Inc.

Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

		For the year ended			
	Note		December 31, 2024		December 31, 2023
Cash provided by (used in):					
Operating Activities					
Net loss for the year		$	(993,933)	$	(1,987,738)
Items not involving cash:					
Depreciation and amortization	8,9,10		448,747		216,162
Gain on financial assets			-		(18,107)
Loss on revaluation of precious metal note payable			-		1,051,132
Stock-based compensation			1,877,934		742,006
Unrealized foreign exchange			794,412		30,874
Gain on inventory factoring arrangement	6		(51,344)		(49,964)
Gain on revaluation of digital assets			-		(207,257)
Interest and accretion expense			43,353		376,647
Changes in operating assets and liabilities:					
Inventory	6		(3,419,930)		(1,823,125)
Trade and other receivables			(382,028)		(28,093)
Prepaid and other assets			166,755		24,180
Digital assets			-		896,873
Other financial assets			-		303,477
Accounts payable and accrued liabilities			572,223		(277,182)
Deferred revenue			452,228		(104,509)
Net cash used in operating activities		$	(491,583)	$	(854,624)
Investing Activities					
Sale of short-term investments			-		13,754,632
Purchase of short-term investments			-		(2,041,608)
Purchase of property and equipment	8		(120,831)		(13,591)
Net cash provided by (used) in investing activities		$	(120,831)	$	11,699,433
Financing Activities					
Payment of lease liabilities	10		(148,601)		(141,442)
Paid to related parties	11		-		(3,585,020)
Net cash used in financing activities		$	(148,601)	$	(3,726,462)
Increase (decrease) in cash			(761,015)		7,118,347
Change in cash related to foreign exchange			60,624		(80,364)
Cash, beginning of year			8,094,511		1,056,528
Cash, end of year		$	7,394,120	$	8,094,511

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

Supplemental information				
Interest received	$	308,616	$	395,057

Menē Inc.

Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares		Share capital		Contributed surplus		Accumulated other comprehensive loss		Retained earnings (deficit)		Shareholders' equity
Balance, December 31, 2023	259,830,913	$	32,098,294	$	6,059,058	$	(244,773)	$	(21,930,831)	$	15,981,748
Stock-based compensation	-		-		1,877,934		-		-		1,877,934
Exercise of RSUs	464,700		199,821		(256,028)		-		-		(56,207)
Other comprehensive income (loss) for the year			-		-		960,407		-		960,407
Net income (loss) for the year	-		-		-		-		(993,933)		(993,933)
Balance, December 31, 2024	**260,295,613**	**$**	**32,298,115**	**$**	**7,680,964**	**$**	**715,634**	**$**	**(22,924,764)**	**$**	**17,769,949**

	Number of shares		Share capital		Contributed surplus		Accumulated other comprehensive loss		Retained earnings (deficit)		Shareholders' equity
Balance, December 31, 2022	259,730,913	$	32,043,294	$	5,372,052	$	(3,127)	$	(19,943,093)	$	17,469,126
Stock-based compensation	-		-		742,006		-		-		742,006
Exercise of RSUs	100,000		55,000		(55,000)		-		-		-
Other comprehensive income (loss) for the year			-		-		(241,646)		-		(241,646)
Net income (loss) for the year	-		-		-		-		(1,987,738)		(1,987,738)
Balance, December 31, 2023	259,830,913	$	32,098,294	$	6,059,058	$	(244,773)	$	(21,930,831)	$	15,981,748

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

1. Nature of operations

Menē Inc. ("Menē" or the "Company") designs, manufactures, and markets 24 karat gold and platinum jewelry under the brand name Menē. The Company retails its jewelry by gram weight direct-to-consumer through an online shopping experience.

Menē was incorporated on July 11, 2017, under the laws of the Province of Ontario, Canada. Menē, Inc., ("Menē Delaware") was incorporated on November 10, 2016, in the State of Delaware, United States of America. On July 11, 2017, the Company entered into a share exchange agreement with Menē Delaware pursuant to which the Company acquired all the issued and outstanding shares of Menē Delaware in exchange for Class A and Class B common shares in the capital of the Company (the "Acquisition"). Menē Delaware had minimal business activities prior to July 11, 2017.

On October 30, 2018, the Company completed a legal separation from Goldmoney Inc. in a spin-off transaction whereby a reverse take-over transaction with Amador Gold Corp. ("Amador") and its subordinate voting shares took place and subsequently listed on the TSX Venture Exchange under the symbol "MENE".

The principal office of the Company is located at 334 Adelaide Street West, Suite 307, Toronto, Ontario M5V 1R4.

2. Material accounting policies

2.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accounting policies are consistently applied to all periods presented, except if mentioned otherwise.

These consolidated financial statements were approved for issuance by the Board of Directors on April 30, 2025.

2.2 Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, other financial assets and borrowings and payables to related parties, which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

2.3 Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed or has rights to variable returns from an investee and has the ability to affect those returns through its control over the investee. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of operations and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial records of the subsidiary to bring their accounting policies in line with those used by the Company. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes a non-controlling interest.

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Mene Delaware.

2.4 Functional and Foreign Currency Translation

The presentation currency of these consolidated financial statements is Canadian dollars. For each entity within the consolidated financial statements, the functional currency is determined based on the currency of the primary economic environment in which the entity operates. Primary and secondary indicators are used to determine the functional currency (primary indicators have priority over secondary indicators). The functional currency for the Company is the Canadian dollar. The functional currency of the Company's foreign subsidiary, Mene Delaware, is the United States dollar.

For the subsidiary, whose functional currency is other than the Canadian dollar, assets and liabilities are translated into the presentation currency at the exchange rate in effect at the reporting date. Revenues and expenses are translated at the rates in effect on the transaction dates. Exchange gains or losses on translation are included in other comprehensive income ("OCI"). The cumulative amount of the exchange differences is presented as a separate component of equity until the disposal of the foreign subsidiary.

Transactions denominated in foreign currencies are translated into each of the entities' functional currency as follows:

- Monetary assets and liabilities are translated at the exchange rate in effect at the reporting date;
- Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date;
- Deferred tax assets and liabilities are translated at the exchange rate in effect at the reporting date with translation gains and losses recorded in income tax expense; and
- Revenues and expenses are translated at the average exchange rates throughout the reporting period, except depreciation, which is translated at the rates of exchange applicable to the related assets.

Exchange gains or losses on translation of transactions are included in the consolidated statements of operations. When a gain or loss on certain non-monetary items, such as financial assets at fair value through other comprehensive income, is recognized in OCI, the translation differences are also recognized in OCI.

2.5 Critical accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual outcomes could differ from these estimates. Revisions to accounting estimates are recognized prospectively. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the Company's critical accounting judgments and estimates:

(i) Valuation of stock options
The fair value of warrants and stock options are determined using the Black-Scholes option pricing formula. Option pricing models require the input of subjective assumptions including expected dividend yield, expected volatility and expected average life (Note 13.1). Changes in these assumptions could have a material impact on fair value estimates.

(ii) Functional currency
Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position. In determining the functional currencies of the Company and its subsidiary, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each consolidated entity.

(iii) Income, value added, withholding and other taxes
The Company is subject to income, value-added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain

during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made (Note 15).

(iv) Impairment of non-financial assets
At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(v) Discount rate used
The Company measures the fair value of certain financial instruments by discounting the contractual cash flows of those instruments to their present value. Management uses its experience and judgment in determining the appropriate discount rate to be used.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash at payment processors, which may be settled on demand or an original maturity of less than 90 days. The cash and cash equivalents are held in various currencies such as the Canadian dollar, US dollar and Euro. The Company held no cash equivalents as of December 31, 2024 and 2023.

2.7 Short-term investments

Short-term investments are guaranteed investment certificates ("GIC") with a maturity greater than ninety days and less than twelve months and are recorded at amortized cost.

2.8 Inventory

Inventory is comprised of raw materials, gold and platinum jewelry and packaging supplies. Inventory is measured at the lower of cost or net realizable value. Cost is determined using the weighted-average method. Cost of work in process and finished goods includes the purchase price of the metal, cost of supplies, cost of direct labour, manufacturing overhead directly attributable to production, and other direct costs for production and distribution. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

2.9 Stock-based compensation

Share-based payment awards are direct awards of stock to employees or directors, call for settlement in cash or other assets, or are stock appreciation rights that call for settlement by issuing equity instruments. The awards are measured at fair value using the Black-Scholes option pricing model on the grant date. The cost is recognized on a graded vesting method basis adjusted for expected forfeitures as an employee or director expense with a corresponding increase to equity in contributed surplus. Consideration paid by employees or directors on the exercise of stock options is recorded as share capital.

Share-based payments with parties other than employees assumes a rebuttable presumption that the fair value of the goods or services received can be estimated reliably. In certain circumstances, the Company rebuts this presumption because it cannot reliably estimate the fair value of the goods or services received. The Company then measures the goods or services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, measured at the date the Company obtains the goods or the counterparty renders the service. Consideration paid by parties other than employees on the exercise of stock options is recorded as share capital.

On expiration, the grant date fair value of stock options and warrants remains in contributed surplus.

2.10 Research and development

Research and development costs are expensed in the period incurred unless development costs meet the criteria for capitalization as an intangible asset.

2.11 Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Office equipment, furniture and machinery	14% to 20%	Straight-line
Computer equipment	30%	Straight-line

An asset's residual value, useful life and depreciation method are reviewed, and adjusted prospectively, if appropriate, on an annual basis.

2.12 Financial instruments

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.
Financial assets are classified into the following categories at their initial recognition:

- financial assets at fair value through profit or loss ("FVTPL");
- amortised cost; or
- fair value through other comprehensive income (“FVOCI”).

In the periods presented, the Company does not have any financial assets categorized as FVOCI.

Financial assets are classified as amortized cost if both of the following conditions are met and the asset is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows (Held-to-Collect – “HTC”); and
- the contractual terms of the instrument give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”).

All other financial assets are classified as FVTPL.

Financial liabilities are classified into the following categories at their initial recognition:

- financial liabilities at FVTPL; or
- amortised cost.

Financial assets are subsequently measured at fair value, except for financial assets classified as amortized cost, which are subsequently measured at amortized cost using the effective interest method.

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

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire; or
- when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled, or expire.

2.13 Intangible assets

Intangible assets acquired by way of an asset acquisition or business combination are recognized if the asset is separable or arises from contractual or legal rights, and the fair value can be measured reliably on initial recognition.

Intangible assets also comprise non-monetary assets which the Company controls, have no physical substance and are identifiable, and from which future economic benefits are expected.

Intangibles are measured at cost, less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives. The estimated useful lives of intangible assets are as follows:

Capitalized website domain cost	5 years
Technology	5 years

The amortization expense is included in 'Depreciation and amortization' on the consolidated statements of operations and comprehensive loss.

The useful life and amortization method are reviewed, and adjusted, if appropriate, on an annual basis.

2.14 Leases

At inception of a contract, the Company will determine whether a contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component. The Company has also elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for (1) short-term leases, that have a lease term of 12 months or less, as well as for (2) leases of low value assets. The lease payments associated with these leases are recognized as expenses on a straight-line basis over the lease term.

A right-of-use asset and a lease liability are recognized at the commencement date of a lease. The lease liability is initially measured at the present value of lease payments to be paid after the commencement date, discounted using the interest rate implicit in the lease, or if not readily determinable, the lessee's incremental borrowing rate. The right-of-use asset is initially measured at cost, which consists of the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or restore the leased asset, less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life of the asset or the term of the lease. If a purchase option is expected to be exercised, the asset is amortized over its useful life.

Lease liabilities are subsequently measured at amortized cost using the effective interest method and are re-measured if and when there is a change in future lease payments arising from a change in an index or rate, or if and when there is a change in the assessment of whether a purchase, extension or termination option will be exercised.

2.15 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of operations and comprehensive loss.

The Company will reverse any previous impairment losses where circumstances have changed such that the level of impairment in the value of the assets has been reduced. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization if no impairment loss had been recognized.

2.16 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

To recognize credit losses, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'); and
- financial instruments that have objective evidence of impairment at the reporting date ('Stage 3').

'12-month expected credit losses' are recognized for Stage 1 while 'lifetime expected credit losses' are recognized for Stage 2 and Stage 3.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2.17 Revenue

The Company generates revenue from the sale of gold and platinum jewelry through its website. Revenue is measured based on the consideration promised in a contract with a customer. The Company recognizes revenue when it transfers control of a good or service to a customer. This generally occurs when the goods are delivered to customers.

The revenue amount recognized for jewelry is adjusted for expected returns, which are estimated based on historical data and adjusted as needed. Customers pay in full at the time revenue is recognized.

The Company recognises a contract liability for promotional gift vouchers issued, based on the historic redemption rate of such vouchers. The Company recognises deferred revenue when it has received consideration from customers but has not yet satisfied its performance obligations.

2.18 Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date. Discounting is omitted when its effect is immaterial.

2.19 Cost of sales

Cost of sales is calculated using a weighted average cost formula for each category of inventory and costs attributable to the sale, manufacturing, and shipping of products.

These costs primarily include the cost of metals and other raw materials, direct and indirect labour, and manufacturing overhead directly attributable to production.

2.20 Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted-average number of common shares outstanding during the year.

Diluted EPS is calculated by dividing adjusted net income (loss) for the year attributable to common shareholders by the weighted-average number of diluted common shares outstanding for the year. In the calculation of diluted EPS, earnings (loss) are adjusted for changes in income or expenses that would result from the issuance of dilutive shares. The weighted-average number of diluted common shares outstanding for the year reflects the potential dilution that would occur if options, securities, or other contracts that entitle their holders to obtain common shares had been outstanding from the beginning of the year (or a later date) to the end of the year (or an earlier date). Instruments determined to have an antidilutive impact for the year are excluded from the calculation of diluted EPS. See note 14.

2.21 Share capital and contributed surplus

Share capital represents the nominal value of the shares that have been issued. Contributed surplus includes any premiums received on issue of share capital, plus the impact of stock-based compensation, warrants issued and other contributions by shareholders. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

2.22 Income taxes

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

Current tax is the 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 periods.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated 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 consolidated statement of financial position date 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 income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

2.23 New accounting standards effective January 1, 2024

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendment is effective for annual periods beginning on or after January 1, 2024, and did not have a material impact on the consolidated financial statements.

IFRS 10, Consolidated Financial Statements ("IFRS 10") and *IAS 28, Investments in Associates and Joint Ventures* ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted. The adoption of this interpretation did not have a material impact on the consolidated financial statements.

IAS 1, Presentation of Financial Statements, was amended in January 2020. The IASB clarified the classification of liabilities as current or non-current by removing the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The adoption of this interpretation did not have a material impact on the consolidated financial statements.

2.24 Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. The Company is currently evaluating the impact of these new standards on the consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 18, Presentation and Disclosure in Financial Statements, was issued by the IASB in April 2024 and will replace the standards and interpretations in IAS 1, Presentation of Financial Statements. IFRS 18 will streamline the requirements for the presentation and disclosure of information in general purpose financial statements to help ensure that they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 will be applied to an annual reporting period beginning on or after January 1, 2027. The Company has not early adopted these amendments.

Lack of Exchangeability (Amendments to IAS 21) In August 2023, the IASB amended IAS 21, The effects of changes in foreign exchange rates, to clarify when a currency is exchangeable into another currency; and how a company estimates a spot rate when a currency lacks exchangeability. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) In May 2024, the IASB issued amendments to *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to asses the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates, are either not applicable or are not expected to have a material impact on the Company's consolidated financial statements.

3. Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Company sells 24 karat gold and platinum jewelry. These segments are aggregated into one operating segment because they have similar economic characteristics (gross profit margins and trends in sales growth) and are similar in each of the following respects:

a) the nature of products;
b) the nature of the production process;
c) the type or class of customers for products; and
d) the methods used to distribute the product.

The Company has a single reportable segment and all its assets are in North America. There have been no changes in the reportable segments in the years ended December 31, 2024 and 2023.

4. Capital risk management

The Company manages its capital with the following objectives:

(i) to ensure sufficient financial flexibility to achieve the ongoing business objectives, including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) to maximize shareholder return through enhancing the share value.

(Expressed in Canadian Dollars)

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general.

The Company may manage its capital structure by issuing new shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be share capital, contributed surplus and deficit, which at December 31, 2024 totaled $17,054,315 ($16,226,521 as at December 31, 2023).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities and selected financial information is provided to the Board of Directors of the Company.

There were no changes in the Company's approach to capital management during the years ended December 31, 2024 and 2023.

5. Trade and other receivables

Trade and other receivables consist of accounts receivable, HST sales tax receivable, and interest income receivable on short-term investments.

	2024	2023
Trade receivable	$ 503,091	$ 102,552
HST receivable	18,028	17,670
Interest income receivable	15,198	34,067
Trade and other receivables	$ 536,317	$ 154,289

6. Inventory

Inventory comprises of the following:

	2024		2023	
	Quantity (grams)	Amount	Quantity (grams)	Amount
Raw materials	22,345	$ 2,119,262	12,172	$ 861,524
Work in progress	6,609	520,635	6,584	527,057
Finished goods	76,763	8,046,650	87,948	5,904,614
Supplies	-	391,817	-	313,895
Inventory	101,941	$ 11,078,364	106,704	$ 7,607,090

On December 4, 2023, the Company entered into an agreement with Goldmoney to sell 3,372.82 ounces of gold finished goods inventory to BMO at the prevailing spot price of gold on the date of sale. Control and title of the inventory passed to BMO on conclusion of the transaction and will be held in an allocated inventory account, with the Company able to request repurchase of the inventory at BMO’s discretion. The transaction resulted in a gain of $49,964 on the difference between the Company’s weighted average price of gold purchased and the spot price on the transaction date, totaling $803,983 and the derecognition of conversion costs totalling $754,019, previously recorded within the cost of inventory. The sale of 3,372.82 ounces of inventory was utilized to repay the Goldmoney metal loan, refer to financial statements note 11.

On May 23, 2024, the Company further sold 227.25 ounces of gold finished goods inventory to the Bank of Montreal (“BMO”) at the prevailing spot price of gold on the date of the sale. Control and title of the inventory passed to BMO on conclusion of the transaction and will be held in an allocated inventory account, with the Company able to request repurchase of the inventory at BMO’s discretion. The transaction resulted in a gain of $142,958 on the difference between the Company’s weighted average price of gold purchased and the spot price on the transaction date, totaling $742,086. It also resulted in a derecognition of conversion costs totalling $690,742, previously recoded within the cost of inventory. A net gain of $51,344 on completion of the transaction was recognised.

Total inventory expensed during the year and included in cost of sales was $18,729,896 (2023: $17,460,389). As at December 31, 2024 and 2023 respectively, no inventory is carried at fair value less cost to sell.

7. Short-term investments

Short-term investments consist of guaranteed investment certificates ("GIC") that the Company holds in the bank. GICs denominated in Canadian dollar currency and US dollar currency earn interest income ranging from 1.25% to 5.2% per annum (2023: 1.25% to 5.20% per annum), maturing in less than 12 months.

	2024	**2023**
Canadian dollar GIC	$ 20,000	$ 20,000
US dollar GIC	158,279	145,486
Short-term investments	$ 178,279	$ 165,486

8. Property and equipment

Cost	**Machines**	**Computer Equipment**	**Office equipment & Furniture**	**Total**
Balance, December 31, 2022	$ 1,233,709	$ 84,606	$ 472,596	$ 1,790,911
Additions	-	5,174	8,177	13,351
Foreign exchange	(28,967)	(1,854)	(11,096)	(41,917)
Balance, December 31, 2023	$ 1,204,742	$ 87,926	$ 469,677	$ 1,762,345
Additions	-	1,401	119,430	120,831
Foreign exchange	105,936	7,235	44,252	157,423
Balance, December 31, 2024	$ 1,310,678	$ 96,562	$ 633,359	$ 2,040,599
Accumulated depreciation				
Balance, December 31, 2022	$ 773,115	$ 53,240	$ 18,389	$ 844,744
Depreciation	77,602	12,540	93,469	183,611
Foreign exchange	(18,152)	(262)	(430)	(18,844)
Balance, December 31, 2023	$ 832,565	$ 65,518	$ 111,428	$ 1,009,511
Depreciation	74,067	12,101	96,571	182,739
Foreign exchange	76,957	5,886	14,666	97,509
Balance, December 31, 2034	$ 983,589	$ 83,505	$ 222,665	$ 1,289,759
Net book value				
Balance, December 31, 2023	$ 372,177	$ 22,408	$ 358,249	$ 752,834
Balance, December 31, 2024	$ 327,089	$ 13,057	$ 410,694	$ 750,840

(Expressed in Canadian Dollars)

9. Intangible assets

Intangible assets consist of the Company website and technology.

Cost		**Technology**		**Website**		**Total**
Balance, December 31, 2022	$	675,846	$	32,506	$	708,352
Foreign Exchange		(15,869)		(764)		(16,633)
Balance, December 31, 2023	$	659,977	$	31,742	$	691,719
Foreign Exchange		58,046		2,791		60,837
Balance, December 31, 2024	$	718,023	$	34,533	$	752,556
Accumulated amortization						
Balance, December 31, 2022	$	24,380	$	32,409	$	56,789
Amortization		131,996		96		132,092
Foreign Exchange		(584)		(763)		(1,347)
Balance, December 31, 2023	$	155,792	$	31,742	$	187,534
Amortization		136,714		-		136,714
Foreign Exchange		20,599		2,791		23,390
Balance, December 31, 2024	$	313,105	$	34,533	$	347,638
Carrying value						
Balance, December 31, 2023	$	504,185	$	-	$	504,185
Balance, December 31, 2024	$	404,918	$	-	$	404,918

10. Right-of-use-asset and lease liability

During the year ended December 31, 2022, the Company entered into a long-term lease agreement for office and manufacturing premises, expiring in October 2029.

Right-of-use asset

The following is a summary of the right-of-use assets as at and for the years ended December 31, 2024 and 2023.

		As at December 31, 2024		As at December 31, 2023
Cost	$	899,459	$	899,459
Accumulated Amortization		(277,933)		(148,639)
Foreign Exchange		34,884		(22,633)
Net book value	$	656,410	$	728,187

The discount rate used to calculate right-of-use assets was 5.89%.

(Expressed in Canadian Dollars)

Lease liability

The following is a summary of the lease liability as at and for the years ended December 31, 2024 and 2023.

	As at December 31, 2024	As at December 31, 2023
Balance, beginning of year	$ 768,244	$ 879,954
Addition		
Lease payments	(148,601)	(141,442)
Interest expense on lease liabilities	43,353	48,511
Foreign exchange	62,300	(18,779)
Balance, end of year	725,296	768,244
Lease liabilities due within one year	161,524	143,448
Lease liabilities due after one year	563,772	624,796
Total lease liabilities	$ 725,296	$ 768,244

The total undiscounted amount of estimated future cash flows to settle the lease liabilities over the remaining lease term is $834,371.

11. Borrowings and payables to related parties

On March 19, 2019, the Company and Goldmoney agreed to terms on a line of credit promissory note. The line of credit established that the loan principal is a maximum of 5,000 troy ounces in any weight combination of gold and platinum. The line of credit promissory note is unsecured, bears 3% interest per annum, and matures at the earlier of March 19, 2023, or on demand by Goldmoney. For the year ended December 31, 2024, interest expense of $Nil (2023: $310,892) was recorded in the consolidated statements of operations.

As the line of credit is indexed to commodity prices, it is accounted for as a derivative financial instrument at FVTPL. A revaluation of the loan is completed at each period end based on the spot prices of metals, multiplied by the gold and platinum ounces respectively. The difference arising from the revaluation is recognized in profit and loss, which resulted in a $Nil loss during the year ended December 31, 2024 (2023 – loss of $1,051,132).

On June 16, 2023, the Company made a repayment of the Goldmoney loan amounting to $2.15 million, reducing the metal weight owing to Goldmoney by 833 ounces.

On December 4, 2023, the Company entered into an agreement with Goldmoney to sell 3,372.82 ounces of gold finished goods inventory to BMO at the prevailing spot price of gold on the date of sale. The transaction was executed through Goldmoney and held within a Goldmoney allocated account at the BMO (see note 6). The transaction was initiated to repay a significant portion of the Goldmoney loan, totalling $9,250,719. There is no obligation for the Company to repurchase the finished goods inventory, nor is BMO under any obligation to fulfil any requests by the Company for repurchase. The Company will be required to pay a 3% stand-by charge based on the outstanding metal ounce balance in the allocated account.

On December 27, 2023, the Company made a payment of $1.44 million, equating to 351 ounces of gold and 369 ounces of platinum to Goldmoney. The payment was for the outstanding balance of the Goldmoney loan and resulted in the full derecognition of the Goldmoney loan.

(Expressed in Canadian Dollars)

12. Share capital

The authorized share capital of the Company consisted of an unlimited number of common shares.

- Class A common shares without par value, 20 votes per share.
- Class B common shares without par value, 1 vote per share.

	Number of shares	Amount
Balance, December 31, 2022	259,730,913	$ 32,043,294
RSU settled – Class B shares	100,000	55,000
Balance, December 31, 2023	259,830,913	$ 32,098,294
RSU settled – Class B shares	464,700	199,821
Balance, December 31, 2024	260,295,613	$ 32,298,115

110,342,154 Class A shares and 149,953,459 Class B shares were outstanding at December 31, 2024 (110,342,154 and 149,488,759 respectively at December 31, 2023).

During the year ended December 31, 2024, the Company issued 464,700 Class B shares in connection with the vested RSUs.

13. Contributed surplus

	Amount
Balance, December 31, 2022	$ 5,372,052
Vesting of options	457,764
RSU issued	284,242
RSU settled	(55,000)
Balance, December 31, 2023	$ 6,059,058
Vesting of options	1,224,099
RSU issued	653,835
RSU settled	(256,028)
Balance, December 31, 2024	$ 7,680,964

13.1 Stock options

On October 24, 2018, the Company adopted the Stock Option Plan. The aggregate maximum number of shares available for issuance from treasury under this plan and all the Company's other security-based compensation arrangements at any given time is 20% of the Company's issued and outstanding shares as at the date of grant of an option under the Plan, subject to certain stated adjustments. Under the plan, options granted can be exercisable for a maximum of 10 years from the date of grant or a lesser period as determined by the Board at the time of such grant. In the event of a change in control in the Company, all options outstanding shall be immediately exercisable. The vesting schedule of the options is at the discretion of the board; some options disclosed below vest immediately, while others vest over a three-year period.

(Expressed in Canadian Dollars)

The table below summarizes the granted, exercised, and forfeited options during the years ended December 31, 2024 and December 31, 2023.

	December 31, 2024		December 31, 2023	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
Beginning balance	$0.46	8,535,223	$0.63	1,290,786
Granted	$0.20	500,000	$0.43	7,469,437
Forfeited	$0.71	(565,786)	$0.59	(100,000)
Expired	-	-	$0.45	(125,000)
Ending balance	$0.13	8,469,437	$0.46	8,535,223

Shares options outstanding as at December 31, 2024 and 2023 have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price	Options Outstanding December 31, 2024	Options Exercisable December 31, 2024	Options Outstanding December 31, 2023
March 2019	March 2024	$0.71	-	-	565,786
January 2022	January 2027	$0.60	500,000	333,334	500,000
September 2023	September 2033	$0.43	-	-	7,469,437
May 2024	May 2029	$0.18	500,000	-	-
August 2024	September 2033	$0.085	7,469,437	1,493,888	-
Total			8,469,437	1,827,222	8,535,223
Weighted average remaining contractual life of options outstanding at end of the year			8.05 years	7.49 years	8.66 years

i) Fair value of options granted

All outstanding share options expected to vest were measured in accordance with IFRS 2, “Share-based Payment” at their market-based measure at the acquisition date. Options were priced using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. Expected volatility is based on the historical share price volatility. The fair value of options granted during years ended December 31, 2024 and 2023 were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2024	December 31, 2023
Share price	$0.09	$0.43
Exercise price	$0.09	$0.43
Risk-free interest rate	3.10%	3.99%
Expected life	8.83 years	10 years
Estimated volatility in the market price of the common shares	91%	95%
Expected dividend yield	Nil	Nil

(Expressed in Canadian Dollars)

13.2 Restricted share units

On June 30, 2021, the Company adopted a new Restricted Share Unit Plan ("RSU Plan"). The RSU Plan, which is administered by the Board of Directors, is intended to complement the Company's stock option plan (the "Stock Option Plan") by allowing the Company to offer a broader range of incentives to diversify and customize the rewards for management and staff to promote long term retention. The RSU Plan provides for a fixed maximum limit of 7,431,993 of the outstanding subordinate voting shares of the Company ("Class B Shares") as permitted by the policies of the Exchange. Subject to the restrictions and vesting provisions provided under the RSU Plan, each RSU shall entitle the holder thereof to receive one Class B Share. The number of Class B Shares issued or to be issued under the RSU Plan and all other security-based compensation arrangements of the Company, including the Stock Option Plan, at any time, shall not exceed 20% of the total number of the issued and outstanding Class B Shares.

Awards granted under the RSU Plan shall be settled, at the sole discretion of the Company, either in cash or through the issuance of Class B shares. The RSUs issued were treated as equity-settled instruments and measured at the grant date fair value because the Company does not have a present obligation to settle the issued RSUs in cash.

	Average fair value per RSU	Number of RSUs
Outstanding December 31, 2022	$0.55	100,000
Issued	$0.43	3,000,000
Exercised	$0.55	(100,000)
Outstanding, December 31, 2023	$0.43	3,000,000
Exercised	$0.43	(1,000,000)
Outstanding, December 31, 2024	$0.43	2,000,000

3,000,000 Class B Shares of RSUs outstanding at December 31, 2023 vested in August 2024 of which 464,700 were exercised and 535,300 were cancelled in connection with withholding taxes.

14. Earnings per share

	For the year ended	
	December 31, 2024	December 31, 2023
Basic earnings per common share		
Net income (loss) attributable to common shareholders	$ (993,933)	$ (1,987,738)
Weighted average number of common shares outstanding	259,974,779	259,765,981
Basic earnings (loss) per common share	$ (0.00)	$ (0.01)
Diluted earnings (loss) per common share		
Net income (loss) attributable to common shareholders	$ (993,933)	$ (1,987,738)
Weighted average number of common shares outstanding	259,974,779	259,765,981
Adjustments to average shares due to share-based options and others	9,469,437	-
Weighted average number of diluted common shares outstanding	269,444,216	259,765,981
Diluted earnings (loss) per common share	$ (0.00)	$ (0.01)

(Expressed in Canadian Dollars)

15. Income taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian Federal and Provincial statutory rate of 26.5% (2023: 26.5%) to the amounts recognized in the consolidated statements of operations and comprehensive loss.

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Net loss before income taxes	$ (993,933)	$ (1,987,738)
Expected income tax recovery	(263,392)	(526,751)
Foreign operations with difference in tax rates	(62,261)	(5,400)
Non-deductible expenses and other	497,653	335,907
Temporary differences not recognized in the year	93,647	(20,068)
Non-capital loss not recognized	(265,647)	216,312
Income tax expense (recovery)	$ -	$ -

Income earned in foreign countries through subsidiaries is generally subject to tax in those countries. Upon repatriation of retained earnings from its U.S. subsidiary, the Company would be required to pay tax on certain of these earnings. As repatriation of such earnings is not planned in the foreseeable future, the related deferred income tax liability was not recorded.

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
Equipment	$ 451,895	$ 409,095
Other items	336,697	304,499
Share issue costs	4,510	6,760
Capital losses carried forward	4,397,370	4,397,370
Non-capital losses carried forward - Canada	7,764,484	7,514,339
Non-capital losses carried forward - U.S	7,682,075	8,814,099
Total	$ 20,637,031	$ 21,446,162

The total tax benefits of unused tax losses and other deductible temporary differences have not been recognized in the consolidated financial statements due to the unpredictability of future earnings. The Canadian portion of these unused tax losses expire starting in 2036 while the US portion have different expiry depending on which tax year it was generated. Losses generated in tax years beginning on or before December 31, 2019, are carried forward for 20 years. Losses generated in tax years afterwards do not have an expiry.

(Expressed in Canadian Dollars)

16. Financial instruments

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are classified under IFRS 9 as follows:

	December 31, 2024	December 31, 2023
Amortised cost:		
Cash	$ 7,394,120	$ 8,094,511
Trade and other receivables	518,289	136,619
Short-term investments	178,279	165,486
Total financial assets	$ 8,090,688	$ 8,396,616

Financial liabilities included in the consolidated statement of financial position are classified under IFRS 9 as follows:

	December 31, 2024	December 31, 2023
Amortised cost:		
Accounts payable and accrued liabilities	$ 1,560,131	$ 931,701
Lease Liabilities	725,296	768,244
Total financial liabilities	$ 2,285,427	$ 1,699,945

Fair value of financial instruments

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2024 and 2023, there were no financial instruments held at fair value.

For financial instruments measured at amortized cost, the Company has determined that the carrying amount of its current financial assets and financial liabilities approximates its fair value, due to the short-term maturity of these financial instruments.

Financial risk factors

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, currency and price risks).

Risk management is carried out by the Company's management team with guidance from the Company’s Audit Committee under policies approved by the Company’s Board of Directors. The Company’s Board of Directors also provides regular guidance for overall risk management.

(Expressed in Canadian Dollars)

Credit risk:
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation and arises from the Company`s cash and cash equivalents, trade receivables and short-term investments consisting of GICs. The carrying value of these financial assets represents the Company’s maximum exposure to credit risk. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents and short-term investments are held with reputable financial institutions, from which management believes the risk of loss to be remote.

The Company’s trade receivables consist of funds at the payment processors for completed customer orders.

IFRS 9 has a single expected credit loss (“ECL”) impairment model for all financial assets. ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

ECL allowances are measured at amounts equal to either (i) 12-month expected credit losses (“ECL”) or (ii) lifetime ECL for those financial instruments that have experienced a significant increase in credit risk since initial recognition or when there is objective evidence of impairment.

The Company assesses its trade receivables, short-term investments and interest income receivables as stage 1 (credit risk has not increased significantly since initial recognition), and the expected credit loss is Nil within a twelve-month period (2023: Nil).

Liquidity risk:

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. As at December 31, 2024, the Company had current assets totalling $19,237,100 (2023: $16,238,151) to settle current liabilities, consisting of: accounts payable and accrued liabilities, deferred revenue and lease liabilities of $2,715,547 (2023: $1,616,813).

The maturity analysis of undiscounted financial liabilities as at December 31, 2024, including estimated interest is as follows:

	Total	Less than 1 year	2-5 years	More than 5 years
Accounts payable and accrued liabilities	$ 1,560,131	$ 1,560,131	$ -	$ -
Lease payments	834,371	161,524	672,847	-
Total	$ 2,394,502	$1,721,655	$ 672,847	$ -

This analysis reflects the conditions prevailing at the end of 2024.

Market risk:
Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates, equity prices and metal prices – will affect the Company’s income or the value of its financial instruments.

Interest rate risk:
The Company has cash, cash equivalent and short-term investment balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Currency risk:
The Company's functional and reporting currency is the Canadian dollar. The functional currency of the Company's foreign subsidiary is the United States dollar. Major purchases are transacted in Canadian dollars, US dollars ("USD"), Euros ("EUR"), and Pound Sterling ("GBP"). The Company holds financial instruments denominated in these currencies.

Exposure to currency risk:

	December 31, 2024			December 31, 2023		
Asset (Liability)	USD ($CAD)	EUR ($CAD)	GBP ($CAD)	USD ($CAD)	EUR ($CAD)	GBP ($CAD)
Cash	3,659,484	150	-	1,015,387	3,561	-
Accounts receivables	505,969	-	-	69,714	-	-
Short-term investments	158,279	-	-	145,486	-	-
Accounts payable and accrued liabilities	(1,021,219)	(6,268)	(16,601)	(737,480)	(32,397)	(14,895)
Net exposure	3,302,513	(6,118)	(16,601)	493,107	(28,836)	(14,895)

Sensitivity to foreign currency: The Company is exposed to foreign currency risk on fluctuations of financial instruments related to cash and cash equivalents, receivables, short-term investments, accounts payable and accrued liabilities. Financial instruments are denominated in US dollars, Euros and Pound Sterling. As at December 31, 2024, the net loss and comprehensive loss would have been $176,687 higher/lower, had the Canadian dollar strengthened/weakened by 5% as a result of foreign exchange gains/losses on translation of US dollar, Euros and Pound Sterling denominated financial instruments related to cash and cash equivalents, receivables, short-term investments, accounts payable and accrued liabilities.

Price risk:
The Company is exposed to metal price risk, which arises from gold and platinum inventory held and metal loan payable to Goldmoney.

Sensitivity to price risk

The Company's metal inventory balance of $10,989,139 (2023: $7,607,090) is subject to a revaluation on the lower price of cost or net realizable value. The Company defines the net realizable value to be a minimum mark-up of 48% on the daily precious metal value. As such, the historical cost would, with a high degree of probability, be lower than the net realizable value. Thus, there is no impact on the net loss and comprehensive loss and deficit for the years ended December 31, 2024 and 2023.

17. Related party transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled or managed by these individuals, as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value. Key management is defined as those with authority and responsibility for planning, directing and controlling activities of the Company, including directors and the executive team.

Compensation of key management personnel

	December 31, 2024	December 31, 2023
Salaries and consulting fees	$ 1,006,960	$ 959,047
Stock-based compensation	1,877,934	742,006
Total	$ 2,884,894	$ 1,701,053

(Expressed in Canadian Dollars)

Related party transactions with Goldmoney

The Company has a related party relationship with Goldmoney, which holds 36.05% ownership in the Company as at December 31, 2024 (2023: 36.11%) and the acting Executive Chairman of the Company, who influences key business decisions, is the current Chief Executive Officer of Goldmoney.

The Company has a supply agreement with Goldmoney dated August 20, 2017. The supply agreement states that Goldmoney is the exclusive supplier of gold and platinum to the Company, and the Company agrees to purchase the metals at a price of 0.5% over the spot price, subject to the terms of the supply agreement.

The table below summarizes the related party transactions between the Company and Goldmoney in 2024 and 2023.

	December 31, 2024	December 31, 2023
Reimbursement of expenses	$ 139,785	$ 65,062
Purchase of inventory	$ 18,199,183	$ 16,702,046

The total amount of borrowings payable to Goldmoney was fully repaid as at December 31, 2023. (See Note 11). Other amounts payable of $45,857 (2023: $50,100) are included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing and are due on demand. No other financial assets were held with Goldmoney as at December 31, 2024 (2023: $Nil).