# Kiboko Gold Inc.
## Financial Statements
## For the years ended December 31, 2024 and 2023
## (Expressed in Canadian Dollars)

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Kiboko Gold Inc.

***Opinion***

We have audited the accompanying financial statements of Kiboko Gold Inc. (the "Company"), which comprise the statements of financial position as at December 31 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

***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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

***Material Uncertainty Related to Going Concern***

We draw attention to Note 1 of the financial statements, which indicates that the Company had not yet achieved profitable operations and had accumulated losses of $7,830,861 since inception and expects to incur further losses in the development of its business. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

**Other Information**

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 Financial Statements***

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

February 28, 2025

**Kiboko Gold Inc.**

**Statements of Financial Position**

(Expressed in Canadian dollars)

**As at**

| | Note | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| | | $ | $ |
| **ASSETS** | | | |
| Current | | | |
| Cash | | **26,282** | 176,735 |
| Restricted cash | **3** | **-** | 11,500 |
| Receivables | **4** | **835** | 6,547 |
| Prepaid expenses | | **10,175** | 15,808 |
| Total assets | | **37,292** | 210,590 |
| **LIABILITIES** | | | |
| Current | | | |
| Accounts payable and accrued liabilities | | **27,077** | 110,900 |
| Due to related parties | **6** | **48,713** | 45,000 |
| Total liabilities | | **75,790** | 155,900 |
| **SHAREHOLDERS' EQUITY (DEFICIENCY)** | | | |
| Share capital | **7** | **7,385,209** | 7,385,209 |
| Equity reserves | **7** | **407,154** | 369,306 |
| Deficit | | **(7,830,861)** | (7,699,825) |
| Total shareholders' equity (deficiency) | | **(38,498)** | 54,690 |
| Total liabilities and shareholders' equity (deficiency) | | **37,292** | 210,590 |

Nature of operations and going concern (Note 1)

APPROVED ON BEHALF OF THE BOARD:

Signed "JEREMY LINK", Director Signed "JON MORDA", Director

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

# Kiboko Gold Inc.

**Statements of Loss and Comprehensive Loss**
(Expressed in Canadian dollars)

| | | Years ended December 31, | |
|---|---|---|---|
| | **Note** | **2024** | **2023** |
| | | **$** | $ |
| **Expenses** | | | |
| Exploration and evaluation expenses | **5** | **16,568** | 1,477,058 |
| Consulting and management fees | **6** | **2,083** | 165,512 |
| Share-based compensation | **6,7** | **37,848** | 143,547 |
| Professional fees | | **20,915** | 75,118 |
| Transfer agent, listing, and filing fees | | **23,550** | 23,905 |
| Office expense | | **2,864** | 22,203 |
| Travel expense | | **348** | 13,734 |
| Marketing expense | | **5,562** | 65,027 |
| Insurance expense | | **22,133** | 26,753 |
| **Loss before other items** | | **131,871** | 2,012,857 |
| **Other items** | | | |
| Interest expense | **8** | **-** | 9,020 |
| Interest income | | **(835)** | (17,904) |
| Settlement of flow-through premium liability | **8** | **-** | (501,671) |
| **Loss and comprehensive loss for the year** | | **131,036** | 1,502,302 |
| **Basic and diluted loss per share** | | 0.00 | 0.03 |
| **Basic and diluted weighted average common shares outstanding** | | **44,137,093** | 44,137,093 |

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

# Kiboko Gold Inc.
**Statements of Cash Flows**
(Expressed in Canadian dollars)

| | Years ended December 31, 2024 | 2023 |
|---|---|---|
| | $ | $ |
| **CASH (USED IN) PROVIDED BY:** | | |
| **OPERATING ACTIVITIES:** | | |
| Loss for the year | **(131,036)** | (1,502,302) |
| Items not involving cash: | | |
| Share-based compensation | **37,848** | 143,547 |
| Settlement of flow-through premium liability | **-** | (501,671) |
| Accrued interest expense | **-** | 9,020 |
| Changes in non-cash working capital items: | | |
| Receivables | **5,712** | 265,718 |
| Prepaid expenses and advances | **5,633** | 36,842 |
| Accounts payable and accrued liabilities | **(83,823)** | (60,100) |
| Due to related parties | **3,713** | 23,125 |
| | **(161,953)** | (1,585,821) |
| **INVESTING ACTIVITIES:** | | |
| Restricted cash | **11,500** | - |
| | **11,500** | - |
| **Change in cash** | **(150,453)** | (1,585,821) |
| **Cash, beginning of year** | **176,735** | 1,762,556 |
| **Cash, end of year** | **26,282** | 176,735 |

Supplemental disclosure with respect to cash flows (Note 12)

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

## Kiboko Gold Inc.

**Statements of Changes in Shareholders' Equity (Deficiency)**
(Expressed in Canadian dollars)
**For the years ended December 31, 2024 and 2023**

| | Number of shares | Issued capital | Equity reserves | Deficit | Total shareholders' equity (deficiency) |
|---|---|---|---|---|---|
| | # | $ | $ | $ | $ |
| **Balance, December 31, 2022** | **44,137,093** | **7,347,906** | **263,062** | **(6,197,523)** | **1,413,445** |
| Share-based compensation | - | - | 143,547 | - | 143,547 |
| Expiry of compensation warrants | - | 37,303 | (37,303) | - | - |
| Loss and comprehensive loss for the year | - | - | - | (1,502,302) | (1,502,302) |
| **Balance, December 31, 2023** | **44,137,093** | **7,385,209** | **369,306** | **(7,699,825)** | **54,690** |

| | Number of shares | Issued capital | Equity reserves | Deficit | Total shareholders' equity (deficiency) |
|---|---|---|---|---|---|
| | # | $ | $ | $ | $ |
| **Balance, December 31, 2023** | **44,137,093** | **7,385,209** | **369,306** | **(7,699,825)** | **54,690** |
| Share-based compensation | - | - | 37,848 | - | 37,848 |
| Loss and comprehensive loss for the year | - | - | - | (131,036) | (131,036) |
| **Balance, December 31, 2024** | **44,137,093** | **7,385,209** | **407,154** | **(7,830,861)** | **(38,498)** |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Kiboko Gold Inc. ("Kiboko" or the "Company") was incorporated on May 2, 2019, and is engaged in the business of mineral exploration in the province of Québec. The Company's head and registered office address is Suite #201, 1405 St. Paul Street, Kelowna, British Columbia, V1Y 2E4. To date, the Company has not earned operating revenue.

The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "KIB".

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company's continued existence is dependent upon the preservation of its interests in its mineral properties, the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to execute its exploration programs, upon the development and future profitable production, or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties.

As at December 31, 2024, the Company had not yet achieved profitable operations and had accumulated losses of $7,830,861 (December 31, 2023 - $7,699,825) since inception and expects to incur further losses in the development of its business, all of which constitutes a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. There is no assurance that these funds will be available on terms acceptable to the Company or at all. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

These financial statements, including comparatives, of the Company were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The material accounting policy information applied in these financial statements are based on the IFRS issued and outstanding as of December 31, 2024.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Differences may be material.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

These financial statements were prepared on a going concern basis, under the historical cost convention, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized by the Board of Directors on February 28, 2025.

***Critical Accounting Estimates and Judgments***

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Stock options and compensation warrants are valued using the Black-Scholes option pricing model as a measure of fair value.

(ii) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

***Exploration and evaluation expenditures***

Exploration and evaluation ("E&E") expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves and include costs related to the following: acquisition of exploration rights; conducting geological studies; exploratory drilling and sampling and evaluating the technical feasibility and commercial viability of extracting a mineral resource.

E&E expenditures, including costs of acquiring licenses and other acquisition costs, are expensed as exploration and evaluation expenses. Any tax credits refunded to the Company are credited to E&E expenditures. The Company considers a project to be an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proven to exist and, in most cases, comprises of a single mine or deposit.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in a project are demonstrable and permitted, additional E&E expenditures will be charged to mining properties. Currently, the Company does not hold any assets classified as mining properties.

***Decommissioning liabilities***

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax risk-free interest rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company had no material restoration, rehabilitation and environmental obligations as at December 31, 2024 and 2023.

**2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

***Impairment***

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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. A reversal of an impairment loss is recognized immediately in profit or loss.

***Income taxes***

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences, between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets and liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

***Provisions***

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost and is based on the discount rates that reflect current market assessments and the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

**2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

***Foreign exchange***

The functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

***Flow-through shares***

The issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of flow-through shares are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. The liability is reduced, and other income is recognized, at the time the eligible expenditures are incurred.

***Share-based compensation***

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date, using the Black-Scholes option pricing model, and are recognized as an expense over the vesting periods of the options on a graded basis. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to equity reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as equity reserves are recorded as share capital. When the right to receive options is forfeited before the options have vested, any expense previously recorded is reversed.

***Warrants***

Warrants with the right to acquire common shares in the Company are typically issued through the Company’s equity financing activities. Where warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to equity reserves and as a share issue cost.

The Company uses the residual value method of accounting for warrants included in a share unit offering. When warrants are attached to common shares issued by the Company as part of a share unit offering, the proceeds from the unit sale are bifurcated first to the common shares at their fair market value on the date of issuance. Any excess in the purchase price of the unit as a whole and the fair market value of the common shares issued on the date of unit sales is attributed to the value of warrants. This fair value is recorded as an increase to equity reserves.

When warrants are exercised, the cash proceeds along with the amount previously recorded in equity reserves are recorded as share capital. When warrants are not exercised by the expiry date, the recognized amount shall be reallocated to share capital.

## 2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

***Financial instruments***

*Classification*

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

The Company classifies its financial instruments as follows:

| Financial Instrument | IFRS 9 Classification |
|---|---|
| Cash | Amortized cost |
| Restricted cash | Amortized cost |
| Receivables | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Due to related parties | Amortized cost |

*Measurement*

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to the estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(Expressed in Canadian dollars, unless otherwise noted)

## 2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

*Derecognition*

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

***Loss per share***

The dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic earnings (loss) per common share is calculated using the weighted-average number of shares outstanding during the period.

***Recent accounting pronouncements***

The following new accounting standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2024:

On April 9, 2024, the IASB issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

The Company is currently assessing the impact the new standard will have on its financial statements.

## 3. RESTRICTED CASH

At December 31, 2024, the Company had a term deposit of $nil (2023 - $11,500) as collateral for a corporate credit card facility.

## 4. RECEIVABLES

The Company's receivables arise from goods and services tax ("GST") and Québec sales tax ("QST") receivables due from Canadian taxation authorities.

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| GST and QST receivables | **835** | 6,547 |
| | **835** | 6,547 |

(Expressed in Canadian dollars, unless otherwise noted)

## 5. EXPLORATION AND EVALUATION EXPENDITURES

### Harricana Gold Property

The Company holds an interest in the Harricana Gold Project (formerly known as the Fontana Gold Project), which is located in Duverny Township, Québec. The Harricana Gold Project is comprised of 234 claims, of which 230 claims are 100% held by the Company. The Company has a 65% interest on the remaining four claims, with an option to earn the remaining 35%. As per an option agreement with Sementiou Inc. ("Sementiou") dated May 23, 2010, as amended, the Company has the right to earn a further 15% interest for a total of 80% interest in these four claims by incurring $4,000,000 in exploration expenditures. The Company has the right to acquire the remaining 20% interest through a business combination with Sementiou or by purchasing any or all of the 20% interest by paying the sum of $1,000,000 for each 1% interest in these four claims.

Royalties

The Harricana Gold Project is subject to various royalties, including a 2% net smelter return ("NSR") royalty held by Globex Mining Enterprises Inc. ("Globex"). This Globex NSR royalty provides for a customary 90-day right-of-first-refusal ("ROFR") on the sale of any portion of the Globex NSR royalty in favour of Kiboko. Also, it provides an option to buyout one-half of the 2% Globex NSR royalty for $2,000,000 at any time prior to commercial production.

An additional 1.8% NSR royalty on 69 of the project's claims that make up the area referred to as the Chenier claims (the "Chenier Family NSR"). The Chenier Family NSR can be purchased at any time for $360,000, and a 90-day ROFR on any potential sale of this royalty has been granted to the Company.

Sementiou holds a 2% NSR royalty on 106 claims in the areas referred to as East Mac, East Mac Sud, and Duvay North. Kiboko has the right, at any time, to purchase 1% of the royalty for $1,000,000, along with a ROFR on the remaining 1% if Sementiou wishes at any time to sell, transfer, or assign the royalty to a third party.

Finally, a single claim is subject to a 2.5% NSR royalty that allows Kiboko, at any time, to purchase 1% of the royalty for $1,000,000, along with a ROFR on the remaining 1.5%.

Harricana Gold Property Expenditures

Expenditures during the years ended December 31, 2024 and 2023 were as follows:

| | **Year ended December 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| | **$** | **$** |
| Assay and lab analysis | **-** | 320,013 |
| Claim renewal fees | **8,120** | 7,091 |
| Consulting geologists | **8,390** | 411,377 |
| Drilling | **-** | 775,366 |
| Field equipment and consumables | **810** | 38,028 |
| Line cutting and groundwork | **-** | 11,120 |
| Permitting | **-** | 623 |
| Refundable tax credits | **(28,868)** | (218,386) |
| Rent | **8,700** | 55,150 |
| Travel and accommodation | **1,661** | 44,654 |
| Other | **17,755** | 32,022 |
| Total expenditures | **16,568** | 1,477,058 |

(Expressed in Canadian dollars, unless otherwise noted)

## 6. RELATED PARTY TRANSACTIONS

Total amounts due to related parties of $48,713 (December 31, 2023 - $45,000) consisted of outstanding fees for services of $48,713 (December 31, 2023 - $45,000) due to officers. The Company owed various related parties the following at December 31, 2024 and 2023:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| Aslan United Capital Corp. – service fees (Company controlled by officer and director) | **25,000** | 25,000 |
| BJB Financial Consulting Inc. – service fees (Company controlled by officer) | **20,000** | 20,000 |
| Aurum Consulting – service fees (Company controlled by officer) | **3,713** | - |
| | **48,713** | 45,000 |

During the year ended December 31, 2024, the Company recognized share-based compensation expenses of $37,182 (year ended December 31, 2023 - $141,021) for options granted to various officers and directors of the Company.

*Compensation of key management personnel of the Company*

Key management personnel include those persons having 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 the Board of Directors, and certain corporate officers, including the Chief Executive Officer and Chief Financial Officer, as well as two Vice-Presidents.

During the year ended December 31, 2024, service fees of $3,713 to key management personnel were incurred (year ended December 31, 2023 - $494,034).

## 7. SHARE CAPITAL AND EQUITY RESERVES

**Authorized Share Capital**

The Company is authorized to issue an unlimited number of common shares with no par value.

As at December 31, 2024, the Company has 2,097,302 (2023 – 6,291,902) shares subject to escrow pursuant to the requirements of the TSXV, which will be released over 36 months after the listing date of June 29, 2022.

**Transactions**

During the years ended December 31, 2024 and 2023, the Company did not issue any common shares.

**Stock Options**

The Company adopted an incentive stock option plan (the “Option Plan”) which allows the Company’s Board of Directors, at its discretion and in accordance with TSXV requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees, and consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

There were no stock options granted during the years ended December 31, 2024 and 2023.

(Expressed in Canadian dollars, unless otherwise noted)

## 7. SHARE CAPITAL AND EQUITY RESERVES (continued)

**Stock Options** (continued)

During the year ended December 31, 2024, share-based compensation of $37,848 was recognized by the Company (December 31, 2023 - $143,547).

Changes in stock options for the years ended December 31, 2024 and 2023 were as follows:

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Number of stock options | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| Outstanding, beginning | 3,410,000 | $0.20 | 3,410,000 | $0.20 |
| Outstanding, ending | 3,410,000 | $0.20 | 3,410,000 | $0.20 |
| Exercisable, ending | 3,410,000 | $0.20 | 2,273,333 | $0.20 |

**Warrants**

There were no warrants issued during the years ended December 31, 2024 and 2023.

Changes in warrants for the years ended December 31, 2024 and 2023 were as follows:

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding, beginning | 24,322,692 | $0.41 | 25,281,627 | $0.41 |
| Expired | - | - | (958,935) | $0.40 |
| Outstanding, ending | 24,322,692 | $0.41 | 24,322,692 | $0.41 |

During the year ended December 31, 2023, 958,935 warrants expired unexercised. As a result, the Company reclassified $37,303 attributed to these warrants from equity reserves to share capital.

Warrants outstanding as at December 31, 2024, were as follows:

| Issue date | Number of warrants | Exercise price | Expiry date |
|---|---|---|---|
| June 29, 2022 | 18,802,692 | $0.40 | June 29, 2027 |
| June 29, 2022 | 5,520,000 | $0.45 | June 29, 2027 |
| | 24,322,692 | | |

(Expressed in Canadian dollars, unless otherwise noted)

## 8. FLOW-THROUGH PREMIUM LIABILITY

| | Flow-through liability |
|---|---|
| | $ |
| Balance, December 31, 2022 | 501,671 |
| Settlement of flow-through share premium liability | (501,671) |
| Balance, December 31, 2024 and 2023 | - |

On June 29, 2022, the Company raised $1,600,800 through the issuance of 5,520,000 flow-through units and $2,437,600 through the issuance of 5,540,000 Québec charity flow-through units for aggregate proceeds of $4,038,400. A flow-through liability of $1,273,400 was recognized from the issuance of these flow-through units. As of December 31, 2022, the Company had $1,590,975 remaining to be spent on qualifying flow-through expenditures by December 31, 2023, which were incurred. During the year ended December 31, 2023, the Company accrued $9,020 in interest expense related to Part XII.6 tax on the issuance of these flow-through units, which was paid in 2024.

## 9. FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, currency, interest rate, and price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has relied upon equity financings and short-term convertible loans to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

### Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, restricted cash, and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company's cash, and restricted cash are held with major Canadian based financial institutions.

Receivables mainly consist of sales tax refunds due from various levels of governments in Canada and refundable resource tax and mining tax credits from the government of Québec.

### Currency Risk

The Company operates mainly in Canada. The Company mitigates its exposure to foreign currency risk by minimizing the amount of funds in currencies other than the Canadian dollar. The Company does not undertake currency hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

## 9. FINANCIAL INSTRUMENTS (continued)

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The convertible loans outstanding were not exposed to interest rate risk because of the fixed interest rates and short-term maturity of the financial instruments.

**Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market, except for share purchase warrants which are measured at fair value using the Black-Scholes option pricing model. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors its commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

**Fair Value**

The Company's financial instruments consist of cash, restricted cash, receivables, accounts payable and accrued liabilities, amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to their short term to maturity. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

*Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities;
*Level 2* – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
*Level 3* – Inputs that are not based on observable market data.

## 10. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The management of the Company's capital is reviewed and monitored by the Board of Directors.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the year ended December 31, 2024.

(Expressed in Canadian dollars, unless otherwise noted)

### 11. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.

### 12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions for the year ended December 31, 2024.

Significant non-cash transactions of the Company for the year ended December 31, 2023 as follows:

a) Reclassified $37,303 upon expiry of warrants (see Note 7).

### 13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| **Years ended December 31,** | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Loss for the year | **(131,036)** | (1,502,302) |
| Expected income tax (recovery) | **(35,000)** | (406,000) |
| Change in statutory, foreign tax, foreign exchange rates and other | **-** | (5,000) |
| Permanent differences | **-** | (97,000) |
| Impact of flow through shares | **-** | 429,000 |
| Adjustments to prior years' provision versus statutory tax returns | **(10,000)** | 56,000 |
| Changes in unrecognized deductible temporary differences | **45,000** | 23,000 |
| **Total income tax expense (recovery)** | **-** | - |

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Deferred tax assets (liabilities) | | |
| Exploration and evaluation assets | **693,000** | 688,000 |
| Property and equipment | **10,000** | 10,000 |
| Share issue costs | **80,000** | 132,000 |
| Allowable capital losses | **37,000** | 37,000 |
| Non-capital losses available for future periods | **507,000** | 412,000 |
| | **1,324,000** | 1,279,000 |
| Unrecognized deferred tax assets | **(1,324,000)** | (1,279,000) |
| **Net deferred taxes** | **-** | - |

(Expressed in Canadian dollars, unless otherwise noted)

## 13. INCOME TAXES (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

| | 2024 | Expiry date range | 2023 | Expiry date range |
|---|---|---|---|---|
| | $ | | $ | |
| Temporary differences: | | | | |
| Exploration and evaluation assets | 2,465,000 | No expiry date | 2,448,000 | No expiry date |
| Property and equipment | 36,000 | No expiry date | 36,000 | No expiry date |
| Share issue costs | 297,000 | 2046 to 2047 | 488,000 | 2046 to 2047 |
| Allowable capital losses | 137,000 | No expiry date | 137,000 | No expiry date |
| Investment tax credits | 38,000 | 2038 | 38,000 | 2038 |
| Non-capital losses available for future periods | 1,866,000 | 2039 to 2044 | 1,525,000 | 2039 to 2043 |

Tax attributes are subject to review, and potential adjustment, by tax authorities.