Newlox Gold Ventures Corp.

Periods Ended December 31, 2024 and 2023

Consolidated Financial Statements

(Expressed in Canadian Dollars)

Index **Page**

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed financial statements; the statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The company's independent auditor has not performed a review of these financial statements.

Management has prepared the information and representation in this interim report. The condensed financial statements have been prepared in accordance with International Financial Reporting Standards and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this report is consistent with the data presented in the condensed financial statements.

The company maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

"Jeffrey Benavides"

Chief Financial Officer

Newlox Gold Ventures Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars, unless otherwise noted)

	Notes	December 31, 2024	March 31, 2024
		$	**$**
ASSETS			
Current assets			
Cash		14,155	283,982
Inventory	6	39,019	28,464
GST receivable		34,229	-
Prepaid expenses	7	198,539	78,350
		285,942	390,796
Non-current assets			
Deferred tax asset		291,266	276,739
Property, plant, and equipment	8	7,023,945	7,453,860
Right of use assets	12	23,139	43,236
		7,338,350	7,773,835
Total Assets		**7,624,292**	**8,164,631**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	10	877,897	226,279
Gold purchase option	14	500,000	500,000
Income tax payable		1,438,370	1,472,831
Due to related parties	18	838,391	424,571
Convertible debentures	11	3,096,662	1,812,855
Lease liabilities	13	7,515	9,661
Deferred revenue	15	13,485	13,485
		6,772,320	4,459,682
Non-current liabilities			
Convertible debentures – Long-term	11	1,204,118	1,820,000
Lease liabilities – Long-term	13	21,575	39,252
		1,225,693	1,859,252
Total liabilities		**7,998,013**	**6,318,934**
Shareholders' Equity			
Share capital	16	15,383,734	15,256,235
Contributed surplus	16	1,798,412	1,750,688
Equity component of convertible debentures	16	1,166,716	1,135,159
Foreign currency translation reserve		1,858,209	1,593,996
Deficit		(20,580,792)	(17,890,381)
		(373,721)	1,845,697
Total Liabilities and Shareholders' Equity		**7,624,292**	**8,164,631**

Nature of operations and going concern (Note 1)
Subsequent events (Note 26)

Approved on behalf of the Board:

"Ryan Jackson"	"Jeffrey Benavides"
Director	Director

Newlox Gold Ventures Corp.`

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars, unless otherwise noted)

		Three months ended December 31,		Nine months ended December 31,	
		2024	**2023**	**2024**	**2023**
	Notes	**$**	**$**	**$**	**$**
Revenue		188,431	526,132	1,063,339	2,398,647
Cost of Goods Sold		(195,725)	(364,695)	(803,138)	(1,035,936)
Gross Margin		**7,294**	**161,437**	**260,201**	**1,362,711**
EXPENSES					
Advertising and promotion		10,000	30,902	25,000	79,736
Amortization expense	12	8,042	4,438	21,968	20,607
Consulting fees	19	70,589	201,056	445,919	400,930
Depreciation	8	361,583	217,537	946,460	481,911
Management fees	19	92,456	88,123	285,310	266,579
Office		64,827	45,692	84,330	82,502
Professional fees		78,959	20,548	283,798	260,390
Royalty payment		47,000	75,892	77,593	419,728
Share based compensation		-	432,884	39,059	432,884
Telephone		1,033	1,197	2,365	2,636
Transfer agent & Regulatory Fees		37,925	4,756	50,427	31,482
Travel		9,924	12,786	29,538	33,630
Loss before other items		**(775,044)**	**(974,374)**	**(2,031,566)**	**(1,150,304)**
Interest expense		(124,425)	312,019	(339,464)	189,531
Penalties			132,660	-	132,660
Accretion expense	11	(91,418)	59,980	(265,791)	12,808
Foreign exchange income		(5,525)	(32,742)	(7,999)	(16,371)
Other income - sale of gross royalty	15	-	119,690	-	59,845
Net cost of gold forward sale	14	-	(258,624)	(45,591)	(129,312)
Gain / Loss on option agreement		-	(24,892)	-	-
Write-down of investment in joint venture	9	-	113,334	-	113,334
		(221,368)	490,961	(658,845)	362,495
Net loss before taxes		**(1,011,000)**	**(1,208,403)**	**(2,690,411)**	**(1,512,799)**
Current income tax expense	18	-	-	-	-
Deferred income tax	18	-	(23,469)	-	(23,469)
Net loss after taxes		**(1,011,000)**	**(1,231,872)**	**(2,690,411)**	**(1,536,268)**
Cumulative translation adjustment		480,538	262,741	(264,214)	-
Net loss and comprehensive loss for the year		**(530,462)**	**(969,131)**	**(2,426,197)**	**(1,536,268)**
Basic and diluted profit (loss) per share		(0.01)	(0.00)	(0.01)	(0.00)
Weighted average number of shares outstanding basic and diluted		**156,149,620**	**147,696,457**	**155,817,197**	**151,696,457**

Newlox Gold Ventures Corp.

Consolidated Statements of Changes in Shareholders' Equity

For the Period Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars, unless otherwise noted)

	Number of shares	Amount	Contributed surplus	Equity component of debentures	Obligation to issue shares	Foreign currency translation reserve	Deficit	Total
		$	$	$	$	$	$	$
Balance, March 31, 2023 - as previously reported	**147,166,457**	**14,097,080**	**1,017,859**	**343,555**	**24,000**	**1,460,916**	**(13,143,028)**	**3,800,382**
Correction of errors (note 24)	-	-	-	-	-	(164,782)	(543,490)	**(708,272)**
Balance, March 31, 2023 - as restated	**147,166,457**	**14,097,080**	**1,017,859**	**343,555**	**24,000**	**1,296,134**	**(13,686,518)**	**3,092,110**
Shares issued for cash	2,750,000	385,000	165,000	-	-	-	-	550,000
Shares issued on conversion of convertible debentures	3,940,000	583,680	-	(52,126)	-	-	-	531,553
Shares issued on conversion of debenture interest	793,163	118,975	-	-	-	-	-	118,975
Shares issued on exercise of options	650,000	71,500	(32,500)	-	(24,000)	-	-	15,000
Share issuance costs	-	-	-	-	-	-	-	-
Share based compensation - options granted	-	-	244,220	-	-	-	-	244,220
Issuance of convertible debentures	-	-	24,818	293,402	-	-	-	318,221
Extinguishment of convertible debentures	-	-	331,291	550,328	-	-	-	881,619
Net and comprehensive loss	-	-	-	-	-	297,862	(4,203,863)	(3,906,001)
Balance, March 31, 2024	**155,299,620**	**15,256,235**	**1,750,688**	**1,135,159**	**-**	**1,593,996**	**(17,890,381)**	**1,845,697**
Shares issued for cash	850,000	127,500	-	-	-	-	-	127,500
Share based compensation - warrants granted	-	-	47,724	-	-	-	-	47,724
Issuance of convertible debentures	-	-	-	31,555	-	-	-	31,555
Net and comprehensive loss	-	-	-	-	-	(264,214)	(2,690,411)	(2,426,197)
Balance, September 30, 2024	**156,149,620**	**15,383,735**	**1,798,412**	**1,166,714**	**-**	**1,858,209**	**(20,580,792)**	**(373,721)**

Newlox Gold Ventures Corp.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars, unless otherwise noted)

	Notes	For the period ended December 31, 2024	2023
		$	$
Operating Activities			
Net loss for the period		(2,690,411)	(304,396)
Items not affecting cash:			
Amortization expense		21,968	16,169
Depreciation	8	946,460	320,307
Share based compensation		39,059	-
Interest expense		313,414	122,489
Accretion expense	11	265,791	47,172
Gain (loss) on gold purchase option	14	-	(129,312)
Gain on extinguishment of convertible debentures	11	-	-
Changes in non-cash working capital:			
GST receivable		(34,229)	(29,713)
Inventory	6	(8,899)	10,954
Accounts payable and accrued liabilities	10	773,063	9,251
Due to related parties	18	405,515	193,468
Deferred revenue	15	-	(16,371)
Prepaid expenses	7	(120,000)	48,726
Cash paid for income taxes		(111,070)	-
Cash (used) provided by operating activities		**(199,339)**	**288,744**
Investing Activities			
Acquisition of property, plant, and equipment	8	(139,858)	(1,088,953)
Cash paid to acquire Colombian investments		-	-
Cash used in investing activities		**(139,858)**	**(1,088,953)**
Financing Activities			
Interest payment		(91,100)	-
Payments for leased assets	13	(24,693)	(19,523)
Proceeds from shares to be issued		-	569,500
Proceeds from convertible debentures	11	222,743	(19,500)
Cash provided by financing activities		**106,950**	**530,477**
Effect of foreign exchange on cash		(37,580)	(320,341)
Change in cash during the period		(269,827)	(590,074)
Cash, beginning of period		283,982	698,834
Cash, end of period		**14,155**	**108,761**

Supplemental information (Note 23)

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Newlox Gold Ventures Corp. (the "Company" or "Newlox") was incorporated on April 7, 2011. The Company is an environmental reclamation and mineral recovery company and is in the business of undertaking projects for the purpose of operating tailings remediation and gold recovery in Costa Rica. The Company's common shares are traded on the Canadian Securities Exchange (the "CSE") under the symbol "LUX".

The head office, principal address, and records office of the Company are located at World Trade Centre 404 – 999 Canada Place Vancouver, BC V6C 3E2.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. To date, the Company has incurred losses and may incur further losses in the development of its business. During the period ended December 31, 2024, the Company incurred a net loss of $1,011,000 and as at December 31, 2024, the Company's current liabilities exceeded its current assets by $7,690,496 and it had an accumulated deficit of $20,580,792. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise financing and generate profits and positive cash flows from operations in order to cover its operating costs. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

From time to time, the Company generates working capital to fund its operations by raising additional capital through equity or debt financing. However, there is no assurance it will be able to continue to do so in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

NOTE 2 – BASIS OF PRESENTATION

a) 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 of the International Financial Reporting Interpretations Committee ("IFRIC"). These consolidated financial statements were approved and authorised for issue by the Board of Directors on March 3, 2024.

b) Basis of preparation

These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is also the Company's functional currency.

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company returns.

Details of controlled entity are as follows:

Entity	Country of Incorporation	Holding	Functional Currency
Oro Roca, S.A.	Costa Rica	100%	Costa Rican Colones

Intercompany balances and transactions are eliminated on consolidation.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

Foreign currency
These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. The subsidiary determines its own functional currency and items included in the financial statements are measured using that functional currency. Transactions in currencies other than the functional currency of an entity are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities stated at fair value are translated using the historical rates on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

Where applicable, the functional currency of an entity is translated into the presentation currency using the period-end rates for assets and liabilities while the operations and cash flows are translated using average rates of exchange. Exchange adjustments arising when net assets and profit or loss are translated into the presentation currency are taken into a separate component of equity and reported in other comprehensive income or loss.

Foreign currency translation
Judgment is required to determine the functional currency of the Company and its subsidiary. The Company determined that the functional currency of its subsidiary is the Costa Rican Colones as this is the currency that most faithfully represents the economic effects of its underlying transactions, events and conditions.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised to write off the cost of the property and equipment less their residual values over their useful lives using the straight-line method at various rates. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation rates:	
Vehicles	5 years
Office furniture and equipment	3 years
Computers equipment and software	3 years
Processing facilities	5 years
Equipment	5 years
Assets under construction	-

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventory
Inventory consist of mineral inventories, including stockpiled ore, gold in-circuit inventory, gold doré inventory and supplies. Inventory is valued at the lower of weighted average cost and estimated net realizable value. Cost includes all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs.Net realizable value is calculated as the estimated price at the time of sale based on prevailing and future metal prices less estimated future production costs to convert the inventories into saleable form. Any write-downs of inventory to net realizable value are recorded as cost of sales.

If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value are reversed to the extent that the related inventory has not been sold. Stockpiled ore inventory represents unprocessed ore that has been extracted from tailings. Gold in-circuit inventory represents material that is currently being processed to extract the contained gold into a saleable form. Gold doré inventory is saleable gold in the form of doré bars that have been poured. Supply inventories include consumables required in the processing activities. Costs added to stockpiled ore inventory are valued based on current tailings cost per ounce incurred up to the point of stockpiling the ore and are removed at the weighted average cost per ounce. Stockpiled ore tonnage and

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

head grades are verified by periodic surveys and physical counts. Gold in-circuit inventory includes precipitates, inventories in tanks and in the milling process.

Finished goods inventory includes metals in their final stage of production prior to sale, including primarily doré and dried concentrates and finished goods in-transit.

Cost of sales includes, mining contractor cost, direct labour costs, depletion and depreciation for processing facilities and applicable production overheads, based on normal operating capacity.

Impairment of property, plant and equipment
At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent of other group assets. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount of a cash-generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators. Where an impairment loss subsequently reverses, the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognized as income immediately.

Right of use assets and lease liabilities
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of- use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non- lease components, and instead account for any lease and associated non- lease components as a single arrangement.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Investment in associates

Associates are entities over which the Company has significant influence, but not control. Significant influence is generally presumed to exist where the Company has between 20 percent and 50 percent of the voting rights, but can also arise where the Company holds less than 20 percent of the voting rights, but it has power to be actively involved and influential in policy decisions affecting the entity. The Company accounts for its investment in associates and joint ventures using the equity method.

Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's shares of profit or loss of the associate. The Company's share of income or loss of associates is recognized in the consolidated statement of loss and comprehensive losses prior to the date that it became an investment entity.

Dilution gains and losses arising from changes in interests in investments in associates where significant influence is retained are recognized in the consolidated statements of loss.

At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired or if previously recorded impairment should be reversed. If impairment is determined to exist, the amount of the impairment is recognized in the consolidated statement of loss and comprehensive losses. The amount of impairment is calculated as the difference between the recoverable amount of the investment in the associate and its carrying value.

If objective evidence of reversal exists, the reversal is recognized in net income in the period the reversal occurs and is limited by the carrying value that would have been determined, from the application of equity accounting method, had no impairment charge been recognized in prior periods.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

Convertible debentures
Compound financial instruments comprised of convertible debt that can be converted to share capital at a fixed price, at the option of the holder or the Company, depending on the contract. The liability component of a compound financial instrument is recognized initially at the fair value which is equal to the net present value of future cash flows applying an interest rate at the date of issue of a similar liability that does not have an equity convertible option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method.

The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest, losses and gains relating to the financial liability are recognized in the consolidated statements of loss and comprehensive loss.

Loss per share
Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding equity instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

Income taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax
Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax
Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Financial Instruments

Recognition and classification
The Company recognized a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. 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.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

	IFRS 9
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Gold purchase option	FVTPL
Due to related parties	Amortized cost
Convertible debentures	Amortized cost

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

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

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

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statements of loss and comprehensive, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities

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

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value of warrants

The Company measures the fair value of warrants issued from financings using the residual method and the fair value of warrants issued for brokers using the Black–Scholes Option Pricing Model.

When broker warrants are issued, the fair value is recorded in the contributed surplus, with the corresponding entry to share capital. When broker warrants are exercised, their fair value is removed from the contributed surplus account and recorded as share capital.

Revenue recognition

Revenue from contracts with customers is recognized when control of the asset sold is transferred to customers and the Company satisfies its performance obligation. Revenue is allocated to each performance obligation. The Company considers the terms of the contract in determining the transfer price. The transaction price is based upon the amount the Company expects to receive in exchange for the transferring of the assets. In determining whether the Company has satisfied a performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the asset. This generally occurs when the assets are loaded on the trucks arranged by the customer at the Company's milling facilities. In cases where the Company is responsible for the costs of shipping and certain other services after the date on which the control of the assets transferred to the customer, these other services are considered separate performance obligations and thus a portion of revenue earned under the contract is allocated and recognized as these performance obligations are satisfied.

The Company sells its gold ore pursuant to sales contracts entered into by the buyer of the products. Revenue consists of proceeds received and expected to be received for the Company's principal products, gold and silver. Revenue is recognized when the title passes to the buyer and when collectability is reasonably assured. Title passes to the buyer upon delivery of the product to the buyer. Pricing of the sales is determined based on the Kitco spot price on the day of the sale less an agreed upon fixed discount rate.

Deferred revenue

Deferred revenue, also known as unearned revenue, refers to advance payments the Company receives for products or services that are to be delivered or performed in the future. The Company records the prepayment as deferred revenue, a liability, on its balance sheet.

Deferred revenue is a liability because it reflects revenue that has not been earned and represents products or services that are owed to a customer. As the product or service is delivered over time, it is recognized proportionally as revenue on the income statement.

Share-based compensation

From time to time, the Company grants stock options to employees and non-employees. An individual is classified as an employee, versus a non-employee, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of stock options, measured using the Black-Scholes Option Pricing Model at the date of grant, is charged to the consolidated statement of loss and comprehensive loss over the vesting period. Performance vesting conditions and forfeitures are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss over the remaining vesting period.

NOTE 3 – MATERIAL ACCOUNTING POLICIES (Continued)

Share based payments to non-employees are recorded in the consolidated statement of loss and comprehensive loss at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for a share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. All equity-settled share-based payments are recorded in equity reserves until exercised. Upon exercise, shares are issued from treasury and the amount previously recorded in equity reserves is reclassified to share capital along with any consideration paid.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements are described below:

Impairment of assets
An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. Judgment is required to determine if indicators of impairment exist. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operation results. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

Useful lives of property, plant and equipment
Management reviews the useful lives of property, plant and equipment at each reporting date, based on the expected utility of these assets to the Company. The useful lives of these assets may be shortened due to future technological developments, or physical wear and tear. In addition, the estimation of the useful lives of the relevant assets may be based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brough by changes in the factors mentioned above.

Deferred tax assets
Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted. The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realisation of these assets.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Going concern
Management's assessment that the Company will be able to execute its strategy and fund future working capital requirements to continue as a going concern requires significant judgment.

Share-based compensation
In estimating the fair value of options using the Black-Scholes Option Pricing Model, management is required to make certain assumptions and estimates such as the expected life of options, volatility of the Company's future share price, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Gold purchase option
The Company's gold purchase option is a derivative liability classified under Level 3 of the fair value hierarchy. The derivative is measured at fair value through profit and loss. Fair value is measured at each reporting period using unobservable inputs. See Note 14 for more details.

NOTE 5 – ACCOUNTING STANDARDS ADOPTED

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded. Adoption of these pronouncements is mandatory for entities with year ends beginning on or after January 1, 2023.

Amendments to IAS 16 – Property, plant and equipment
The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. This amendment did not have a significant impact on the preparation of the consolidated financial statements.

Amendments to IAS 37 – Provisions, contingent liabilities, and contingent Assets
The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. This amendment did not have a significant impact on the preparation of the consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Amendments to IAS 1 – Presentation of financial statements, and IFRS practice statement 2
In January 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1). The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criteria for classifying a liability as non-current if there is the right to defer settlement of the liability for at least 12 months after the reporting period. Management will assess the impact of this standard.

In February 2021, the IASB issued an amendment to IAS 1 Presentation of Financial Statements (IAS 1) and IFRS Practice Statement 2. The amendment applies to annual reporting periods beginning on or after January 1, 2023. The amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment had no significant impact on the preparation of the consolidated financial statements.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 5 – ACCOUNTING STANDARDS ADOPTED (Continued)

Amendments to IAS 8 – Definition of accounting estimates
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendments are effective for annual periods beginning on or after January 1, 2023, and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. This amendment had no significant impact on the preparation of the consolidated financial statements.

Amendments to IAS 12 – Income taxes
In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023. This amendment had no significant impact on the preparation of the consolidated financial statements.

There are no other IFRS's or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have a material impact on the Company.

NOTE 6 – INVENTORY

Inventories consist primarily of raw materials and in-circuit gold, in varying stages of the production process, and are presented at the lower of weighted average cost or net realizable value.

	December 31, 2024	**March 31, 2024**
Raw materials - chemicals	$ 39,019	$ 28,464
In-circuit gold	-	-
Total inventory	$ 39.019	$ 28,464

During the period ended December 31, 2024, the Company sold inventory with a value of $607,413 (2023 - $671,241) which are included in cost of sales.

NOTE 7 – PREPAID EXPENSES

	December 31, 2024	**March 31, 2024**
Prepaid consulting	$ 187,660	$ 67,776
Prepaid advertising	-	-
Deposits	10,879	10,574
	$ 198,539	$ 78,350

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

	Vehicles	Office Furniture and Equipment	Computer Equipment and Software	Processing Facilities	Equipment	Assets under Construction	Total
	$	$	$	$	$	$	$
Cost							
Balance, March 31, 2023	**94,685**	**12,446**	**11,019**	**807,707**	**3,769,385**	**3,042,373**	**7,737,615**
Additions	-	260	219	-	1,908,407	65,144	1,974,030
Foreign currency translation	4,232	596	527	37,776	281,234	145,874	470,239
Balance, March 31, 2024	**98,917**	**13,302**	**11,765**	**845,483**	**5,959,026**	**3,253,391**	**10,181,884**
Additions	-	-	864	-	201,800	18,263	220,926
Foreign currency translation	776	698	633	44,383	316,469	171,115	534,075
Balance, December 31, 2024	**99,693**	**14,000**	**13,262**	**889,866**	**6,477,294**	**3,442,769**	**10,936,885**
Accumulated Depreciation							
Balance, March 31, 2023	**55,326**	**6,717**	**9,059**	**491,867**	**888,512**	**-**	**1,451,481**
Depreciation	12,334	2,564	1,376	160,590	968,982	-	1,145,846
Foreign currency translation	3,070	455	499	31,835	94,838	-	130,697
Balance, March 31, 2024	**70,730**	**9,736**	**10,934**	**684,292**	**1,952,332**	**-**	**2,728,024**
Depreciation	10,107	1,807	2,681	81,068	934,272	-	1,029,935
Foreign currency translation	(522)	543	623	37,390	116,947	-	154,980
Balance, December 31, 2024	**80,316**	**12,087**	**14,238**	**802,749**	**3,003,550**	**-**	**3,912,940**
Net Book Value							
Balance, March 31, 2024	**28,187**	**3,566**	**831**	**161,191**	**4,006,694**	**3,253,391**	**7,453,860**
Balance, December 31, 2024	**19,378**	**1,913**	**-976**	**87,117**	**3,473,744**	**3,442,769**	**7,023,945**

During the period ended December 31, 2024, $81,068 (March 31, 2024 - $160,590) in depreciation for processing facilities are included in cost of sales.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 9 – INVESTMENT IN JOINT VENTURE

On June 6, 2020, the Company entered into a contractual agreement with Sindicato Nacional De Mineros ("ANAMI") for the creation of a Boston Joint Venture ("JV") corporation for joint administration of the exploration, exploitation and sale of precious mineral materials of the Boston Mine located in Costa Rica. The Company is in process of building a recovery facility for the JV. As at December 31, 2024, the Company has $Nil in assets under construction (Note 8). ANAMI and the Company retain a 50% interest in the JV respectively, and upon commencement of operations will be accounted for under the equity method. As at December 31, 2024, the JV is inactive and has $nil assets and liabilities.

The carrying value of the investment as of December 31, 2024 was $Nil (March 31, 2024 - $Nil).

NOTE 10 – ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	December 31, 2024	March 31, 2024
Trade payables	800,304	$ 71,856
Accrued liabilities	-	100,000
Royalty payable	77,593	54,423
	$877,897	$ 226,279

NOTE 11 – CONVERTIBLE DEBENTURES

During the year ended March 31, 2021, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $4,060,500.The debentures mature in two year and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price. As part of the Offering, the Company has issued 27,070,001 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.25 for two years from the closing of the Offering. All securities issued pursuant to the Offering are subject to a four-month-and-one-day hold period under applicable Canadian securities laws. The Company paid $179,112 in finder's fees related to both offerings and 902,879 warrants. Each warrant entitles the holder to purchase a common share at $0.25 per share for a period of 2 years from the issuances.

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $3,420,479 with the residual amount of $640,021 being allocated to equity. The Company allocated $167,582 of the equity portion to contributed surplus related to the detachable warrants. The detachable warrants were valued using the Black-Scholes Option Pricing Model, using the following assumptions: expected life – 2 years, volatility – 174.67% - 187.17%, discount rate - 0.20% - 0.24%.

On December 8, 2022, the Company extended the maturity date of all outstanding convertible debentures by one year (series I and II). This extension was granted to those holders of the convertible debentures who consented to the extension. The amount of convertible debentures subject to the extension was finalized on December 18, 2022. Of the original $2,839,000 of the December 18, 2020 issuance (Series I), $1,111,500 participated in the maturity extension to December 18, 2023. Of the original $1,221,500 of the December 30, 2020 issuance (Series II), $1,016,00 participated in the maturity extension to December 30, 2023. The Company recognized a $177,261 gain on derecognition of the original convertible debentures and recognition of the modified debentures. The Company also extended the expiry date of 703,879 broker warrants issued alongside the original convertible debentures by one year. The incremental $14,166 value of these broker warrants resulting from the extension was recognized as a loss on extingusihment of the convertible debentures. Overall, the Company recognized a $163,095 gain on extinguishment of the original convertible debentures as a result of the term modification.

NOTE 11 – CONVERTIBLE DEBENTURES (Continued)

On December 8, 2023, the Company extended the maturity date of all outstanding convertible debentures by one year (series I and II). This extension was granted to those holders of the convertible debentures who consented to the extension. The amount of convertible debentures subject to the extension was finalized on December 18, 2023. Of the original $1,111,500 of the December 18, 2020 issuance (Series I), $1,111,500 participated in the maturity extension to December 18, 2024. Of the original $1,016,000 of the December 30, 2020 issuance (Series II), $996,500 participated in the maturity extension to December 30, 2024. The extension of the debentures was accounted for as an extinguisment and a reissue of the new debt resulting in a loss of $714,708 on extinguishment.

On November 29, 2023, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $785,000 (Series III).The debentures mature in two years and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price.

As part of the Offering, the Company issued 5,233,332 warrants. Each entitles the holder to purchase one common share of the Company at an exercise price of $0.25 for two years from the closing of the Offering. All securities issued pursuant to the Offering are subject to a four-month-and-one-day hold period under applicable Canadian securities laws. The Company paid $33,120 in finder's fees and issued 220,800 warrants. Each warrant entitles the holder to purchase a common share at $0.25 per share for a period of 2 years from the issuances.

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $669,142 with the residual amount of $115,858 being allocated to equity. The Company allocated $9,483 of the equity portion to contributed surplus related to the detachable warrants. The detachable warrants were valued using the Black-Scholes Option Pricing Model, using the following assumptions: expected life – 2 years, volatility – 86.25%, discount rate - 0.20%.

On December 22, 2023, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $367,500 (Series IV).The debentures mature in two year and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price.

As part of the Offering, the Company issued 2,450,000 warrants. Each entitles the holder to purchase one common share of the Company at an exercise price of $0.25 for two years from the closing of the Offering.All securities issued pursuant to the Offering are subject to a four-month-and-one-day hold period under applicable Canadian securities laws. The Company paid $12,720 in finder's fees and issued 84,800 warrants. Each warrant entitles the holder to purchase a common share at $0.25 per share for a period of 2 years from the issuances.

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $313,261 with the residual amount of $54,239 being allocated to equity. The Company allocated $3,505 of the equity portion to contributed surplus related to the detachable warrants. The detachable warrants were valued using the Black-Scholes Option Pricing Model, using the following assumptions: expected life – 2 years, volatility – 85.02%, discount rate - 0.20%.

On January 31, 2024, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $403,500 (Series V).The debentures mature in two year and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price.

NOTE 11 – CONVERTIBLE DEBENTURES (Continued)

As part of the Offering, the Company issued 2,690,000 warrants. Each entitles the holder to purchase one common share of the Company at an exercise price of $0.25 for two years from the closing of the Offering.All securities issued pursuant to the Offering are subject to a four-month-and-one-day hold period under applicable Canadian securities laws. The Company paid $16,080 in finder's fees and issued 107,200 warrants. Each warrant entitles the holder to purchase a common share at $0.25 per share for a period of 2 years from the issuances.

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $343,947 with the residual amount of $59,553 being allocated to equity. The Company allocated $3,610 of the equity portion to contributed surplus related to the detachable warrants. The detachable warrants were valued using the Black-Scholes Option Pricing Model, using the following assumptions: expected life – 2 years, volatility – 85.52%, discount rate - 0.20%.

On February 28, 2024, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $564,000 (Series VI).The debentures mature in two year and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price.

As part of the Offering, the Company issued 3,760,000 warrants. Each entitles the holder to purchase one common share of the Company at an exercise price of $0.25 for two years from the closing of the Offering.All securities issued pursuant to the Offering are subject to a four-month-and-one-day hold period under applicable Canadian securities laws. The Company paid $44,660 in finder's fees and issued 330,800 warrants. Each warrant entitles the holder to purchase a common share at $0.25 per share for a period of 2 years from the issuances.

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $480,864 with the residual amount of $83,136 being allocated to equity. The Company allocated $8,666 of the equity portion to contributed surplus related to the detachable warrants. The detachable warrants were valued using the Black-Scholes Option Pricing Model, using the following assumptions: expected life – 2 years, volatility – 84.71%, discount rate - 0.20%.

On April 30, 2024, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $71,500 (Series VII).The debentures mature in two year and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price.

As part of the Offering, the Company issued 488,400 warrants. Each entitles the holder to purchase one common share of the Company at an exercise price of $0.25 for two years from the closing of the Offering.All securities issued pursuant to the Offering are subject to a four-month-and-one-day hold period under applicable Canadian securities laws. The Company paid $1,760 in finder's fees and issued 11,733 warrants. Each warrant entitles the holder to purchase a common share at $0.25 per share for a period of 2 years from the issuances.

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $ $60,961 with the residual amount of $10,539 being allocated to equity. The Company allocated $8,666 of the equity portion to contributed surplus related to the detachable warrants. The detachable warrants were valued using the Black-Scholes Option Pricing Model, using the following assumptions: expected life – 2 years, volatility – 84.71%, discount rate - 0.20%.

On June 3, 2024, the Company closed its unsecured non-brokered Convertible Debenture Financing (the "Offering") for proceeds of $153,000 (Series VII).The debentures mature in two year and bear interest at 10% per annum, with interest payable semi-annually. Principle and any accrued interest are convertible at the option of the investor at a conversion price of $0.15 per common share (the "Conversion Price") from the closing date until the day before maturity. On maturity, the Company will have the option to pay the principal and any accrued interest in cash or shares at the Conversion Price.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 11 – CONVERTIBLE DEBENTURES (Continued)

The fair value of the liability component of the convertible debenture was calculated using a market interest rate of 18%. The fair value of the liability component was determined to be $130,447 with the residual amount of $22,553 being allocated to equity.

The continuity of the fair value of the convertible debentures as at March 31, 2024 is as follows:

	Series I	Series II	Series III	Series IV	Series V	Series VI	Total
Balance, March 31, 2023	$1,340,327	$1,030,763	$-	$-	$-	$-	$2,371,090
Issuance	-	-	785,000	367,500	403,500	564,000	2,120,000
Equity Portion	-	-	(114,860)	(54,239)	(59,477)	(83,136)	(311,712)
Fair value of warrants	(151,939)	(179,352)	-	-	-	-	(331,291)
Finders' Fees	-	-	(36,289)	(13,477)	(16,787)	(45,465)	(112,018)
Interest Expense	130,943	100,174	21,573	10,169	4,167	4,945	271,971
Interest Payments	(69,150)	(39,298)	-	-	-	-	(108,448)
Accretion expense	102,253	81,169	19,156	8,471	3,566	4,811	219,426
Conversion of principal	(270,433)	(18,523)	(120,963)	-	(121,649)	-	(531,568)
Conversion of interest	(69,150)	(49,825)	-	-	-	-	(118,975)
Conversion option on extensions	(298,579)	(251,749)	-	-	-	-	(550,328)
Loss on extinguishment	365,645	349,063	-	-	-	-	714,708
Balance, March 31, 2024	$1,079,917	$1,022,422	$553,617	$318,424	$213,320	$445,155	$3,632,855

The continuity of the fair value of the convertible debentures as at December 31, 2024 is as follows:

	Series I* $	Series II* $	Series III $	Series IV $	Series V $	Series VI $	Series VII $	Series VIII $	Total $
Balance, March 31, 2024	1,079,917	1,022,422	553,617	318,424	213,320	445,155	-	-	3,632,855
Issuance	-	-	-	-	-	-	71,500	153,000	224,500
Equity Portion	-	-	-	-	-	-	(10,539)	(22,553)	(33,092)
Fair value of warrants	-	-	-	-	-	-	(7,128)		(7,128)
Finders' Fees	-	-	-	-	-	-	(1,760)	-	(1,760)
Interest Expense	79,784	68,799	47,842	27,688	30,401	42,493	4,819	8,887	310,714
Interest Payments	(58,300)	-	(31,750)	-	(1,050)	-			(91,100)
Accretion expense	61,433	56,433	44,724	24,544	21,581	45,077	5,847	6,153	265,791
Balance, December 31, 2024	1,162,835	1,147,654	614,433	370,656	264,252	532,724	62,738	145,487	4,300,780

*please refer to "Liquidity and Capital Resources" in the accompanying MD&A.

NOTE 12 – RIGHT OF USE ASSETS

During the year ended March 31, 2023, the Company executed a lease agreement for Costa Rican office space, with a lease term of 1 year, which was renewed for a year during the year ended 2024.

During the year ended March 31, 2022, the Company executed a lease agreement for Canadian office space, with a lease term of 2 years.

During the year ended March 31, 2021, the Company executed lease agreements on land and a camp site in Costa Rica, with a lease term of 5 years.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 12 – RIGHT OF USE ASSETS (Continued)

The continuity of the fair value of the right-of-use assets as at December 31, 2024 is as follows:

	Land Lease	Camp Lease	Costa Rica Office	Canada Office	Total
Balance March 31, 2023	$20,462	$13,458	$16,577	$2,583	$53,080
Additions	-	-	18,017	-	18,017
Amortization	(2,769)	(5,723)	(18,649)	(2,583)	(29,724)
Foreign currency translation	806	316	741	-	1,863
Balance March 31, 2024	$18,499	$8,051	$16,686	-	$43,236
Additions	-	-	-	-	-
Amortization	(2,265)	(4,681)	(15,023)	-	(21,969)
Foreign currency translation	930	337	605	-	1,872
Balance December 31, 2024	17,164	$ 3,707	$2,268	-	$23,139

NOTE 13 – LEASE LIABILITIES

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate of 12%. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

At March 31, 2024 and March 31, 2023, the Company's lease obligation related to its offices, camp, and land leases is as follows:

	Land Lease	Camp Lease	Costa Rica Office	Canada Office	Total
Balance March 31, 2023	$22,455	$15,599	$17,676	$3,152	$58,882
Additions	-	-	18,017	-	18,017
Payments	(4,583)	(7,638)	(20,234)	(3,200)	(35,655)
Interest expense	2,565	1,529	1,203	48	5,345
Foreign currency translation	939	393	992	-	2,324
Balance March 31, 2024	$21,376	$9,883	$17,654	-	$48,913
Additions	-	-	-	-	-
Payments	(3,749)	(6,248)	(16,097)	-	(26,094)
Interest expense	1,917	701	1,073	-	3,691
Foreign currency translation	1,090	419	1,071	-	2,580
Balance December 31, 2024	$20,634	$4,755	$3,701	-	$ 29,090

At December 31, 2024, the Company is committed to minimum lease payments as follows:

	December 31, 2024	March 31, 2024
Maturity analysis – contractual undiscounted cash flows		
Less than one year	$13,591	$31,470
One to five years	23,323	26,860
More than five years	-	1,611
Total undiscounted lease liabilities	$36,914	$59,941
Interest	(7,824)	(11,028)
Lease liabilities included in the statement of financial position	29,090	48,913
Current	7,515	9,661
Non-current	21,575	39,252

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 14 – GOLD PURCHASE OPTION

On January 22, 2019, the Company entered into a gold purchase option agreement for consideration of US$5,000, whereby the investor has the option to acquire up to 675 ounces of gold at a price of US$1,000 per ounce for a period of 120 months commencing on the date that recovered gold exceeds 80 troy ounces a month. The Company can repay the balance in gold or the cash equivalent. The cash settlement shall be at the KITCO spot price (the "spot price") one day prior to the payment due date but not less than US$1,500 per ounce.

The investor may exercise the option in monthly tranches which may not exceed 20% of the Company's monthly gold recovery less the amount of gold delivered as per the Company's existing royalty agreement. The option agreement shall expire on the earlier of its full satisfaction or 120 months from the date monthly gold recovery exceeds 80 troy ounces.

During the period ended September 30, 2024, the Company received one purchase order, which were settled during the period ended June 30, 2024. During the period ended September 30, 2024, the Company incurred $ 45,591 (2024 – $96,226) in expenditures related to this agreement.

The gold purchase option is a derivative liability as the repayment amount is determined by the spot price. The amount recorded for this derivative is based on the transaction price, being the total net proceeds received, as the fair value would be determined using unobservable inputs. As such, the derivative liability would be classified as Level 3 of the fair value hierarchy.

The key unobservable inputs that were used in the estimation of the derivative liability are as follows:

1) The expected recovery of gold exceeding 80 troy ounces a month.
2) The expected price of gold exceeding US$1,800 per ounce.
3) The discount rate used to bring the amounts to present value.

The resulting value of the derivative instrument would differ significantly based on changes in the underlying assumptions used, potentially having a material future impact on the Company's consolidated financial statements. The significant inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy at March 31, 2024, and resulting changes in profit or loss from modifying these inputs, are shown below:

Description	Input	Sensitivity	**December 31, 2024**
Gold purchase option	Gold recovery amount	10%	20,698
Gold purchase option	Gold price	10%	(48,297)
Gold purchase option	Discount rate	10%	(12,465)

During the period ended September 30, 2024, there were no transfers into or out of Level 1, 2 or 3 in the fair value hierarchy.

As at December 31, 2024, the gold purchase option was valued at $500,000 (2024 - $500,000). A $Nil loss (2024 – gain of $23,757) on revaluation of this derivative liability was recognized in other income during the period ended December 31, 2024.

NOTE 15 – REVENUE SHARING AGREEMENT

On July 17, 2017, the Company entered into a Revenue Sharing Agreement (the "Transaction") with an investor. The Transaction grants the investor a 15% gross revenue royalty on the Company's first processing plant until the investor has received royalties totaling US$1,000,000. After which, the investor will hold a 10% gross royalty on the first processing plant for the life of the project. The investor would also be granted a 5% gross revenue royalty on all processing plants, current and future, developed by the Company and its subsidiaries, which are not subject to an active gross revenue royalty. The investor was offered a right of first refusal to fund the Company's future projects. As consideration, the investor agreed to pay the Company a total of US$950,000. As security for the Company's obligations under the Transaction, the Company granted the investor a fixed assignment, transfer, mortgage, charge and security interest over the Company's assets.

On December 24, 2018, the Company and the investor agreed to an amendment in exchange for US$45,000 where the royalty is increased to 18% until the investor has received royalties totaling US$1,025,000. After which, the investor will hold a 10.5% (0.5% increase) gross royalty on the first processing plant for the life of the project. The royalty balance US$1,025,000 was reached in June 2023. From this date forward royalty payments have been made at the reduced rate of 10.5%.

NOTE 15 – REVENUE SHARING AGREEMENT (Continued)

As a result of the amendment, the Company reduced the net book value of the processing facilities by $61,340 being the approximate net book value of these assets at the time of the amendment. As at March 31, 2024, the investor has received US$1,162,563 in royalties since inception.

On April 17, 2019, the Company, closed its "Series Two" Revenue Participation, and three investors purchased a 3% Gross Revenue Royalty on the Company's first processing plant until the investors have received payments totalling the amount invested (the "Gross Revenue Royalty"), after which, the investors will hold a 2% gross revenue royalty on the first processing plant for the life of the project (the "Enduring Royalty"). The Company has also granted the investors a priority right to fund the Company's future projects through a similar mechanism, to be adjusted in relation to the financing needs. In the event the investor elects not to fund one or more of the Company's future projects, the Company will be free to pursue funding from other parties for those projects and investors will hold a 1% base royalty the project. The original amount invested of US$250,000, was fully repaid during February 2024, and after this date royalty payments continued at the reduced rate. As at March 31, 2024, the investors have received US$256,988 in royalties since inception.

In relation to the revenue sharing agreements, as at December 31, 2024 the Company had a balance of $13,485 in deferred revenue (2024 – $13,485) and recognized in other income $Nil (2024 – $65,482).

NOTE 16 – SHARE CAPITAL

a) Authorized Capital

The Company is authorised to issue an unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

i) Shares Issued during the period ended September 30, 2024
During the three months ended September 30, 2024, the Company issued 850,000 shares for conversion of $127,500 debt.

ii) Shares Issued during the period ended September 30, 2023
During the six months ended September 30, 2023, the Company issued 400,000 shares for exercise of options for proceeds of $24,000 which had been classified in obligations to issue shares as of March 31, 2023. As a result, $23,192 was reclassified from contributed surplus to share capital on exercise of the options.

During the six months ended September 30, 2023, the Company issued 130,000 shares for conversion of $19,500 principal of convertible debenture. In connection with these conversions, $977 was reclassified from the equity component of the debentures to share capital.

During the six months ended September 30, 2023, the Company received proceeds of $550,000 for the issuance of shares which remain to be issued as of September 30, 2023.

c) Share Options

Under the terms of the Company's 2017 Stock Option Plan (the "Plan"), the maximum number of shares reserved for issuance under the Plan is 10% of the issued shares on a rolling basis. Options may be exercisable over periods of up to five years as determined by the Board of Directors of the Company and the exercise price shall not be less than the Discounted Market Price on the award date, subject to regulatory approval. All stock options granted are non-assignable.

During the year ended March 31, 2024, the Company granted of 3,052,980 incentive stock options to consultants of the Company to acquire an aggregate of 3,052,980 common shares of the Company.

The options have an exercise price of $0.15 per share, vest immediately and are exercisable until November 9, 2025. The share-based payments expense related to stock options was determined to be $363,429 for the year ended March 31, 2024. Of this amount, $244,220 was recognized as stock-based compensation.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 16 – SHARE CAPITAL (Continued)

During the year ended March 31, 2023, the Company granted of 6,500,000 incentive stock options to directors and employees, and 3,550,000 incentive stock options to consultants of the Company to acquire an aggregate of 10,050,000 common shares of the Company. The options have an exercise price of $0.13 - $0.20 per share, vest immediately and are exercisable until September 28, 2027 and September 28, 2024, respectively.

The share-based payments expense related to stock options was determined to be $858,661 for the year ended March 31, 2023.

The following weighted average assumptions were used in estimating the fair value of stock options granted using the Black-Scholes Option Pricing Model:

	December 31, 2024	March 31, 2024
Exercise price	$0.15	$0.15
Volatility	153.63%	153.63%
Risk free interest rate	4.57%	4.57%
Expected dividend yield	0%	0%
Forfeiture rate	0%	0%

The continuity of options for the period ended December 31, 2024 is as follows:

Expiry Date	Exercise Price	March 31, 2024	Issued	Exercised	Forfeited	Expired	December 31, 2024
April 5, 2023	$0.23	-	-	-	-	300,000	-
June 17, 2023	$0.23	-	-	-	-	200,000	-
July 3, 2023	$0.06	-	-	-	-	566,961	-
October 10, 2023	$0.265	-	-	-	-	1,000,000	-
September 28, 2024	$0.13	3,300,000	-	-	-	250,000	3,300,000
January 20, 2025	$0.24	250,000	-	-	-	-	250,000
July 3, 2025	$0.06	1,166,666	-	250,000	-	-	1,166,666
November 9, 2025	$0.15	3,052,980	3,052,980	-	-	-	3,052,980
September 28, 2027	$0.20	6,500,000	-	-	-	-	6,500,000
		14,269,646	3,052,980	250,000	-	2,316,961	14,269,646

The continuity of options for the year ended March 31, 2024 is as follows:

Expiry Date	Exercise Price	March 31, 2023	Issued	Exercised	Forfeited	Expired	March 31, 2024
April 5, 2023	$0.23	300,000	-	-	-	300,000	-
June 17, 2023	$0.23	200,000	-	-	-	200,000	-
July 3, 2023	$0.06	566,961	-	-	-	566,961	-
October 10, 2023	$0.265	1,000,000	-	-	-	1,000,000	-
September 28, 2024	$0.13	3,550,000	-	-	-	250,000	3,300,000
January 20, 2025	$0.24	250,000	-	-	-	-	250,000
July 3, 2025	$0.06	1,416,666	-	250,000	-	-	1,166,666
November 9, 2025	$0.15		3,052,980	-	-	-	3,052,980
September 28, 2027	$0.20	6,500,000	-	-	-	-	6,500,000
		13,783,627	3,052,980	250,000	-	2,316,961	14,269,646

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 16 – SHARE CAPITAL (Continued)

As at December 31, 2024, the Company has the following options outstanding and exercisable:

Expiry Date	Exercise Price	Remaining Life (years)	Options Outstanding
September 28, 2024	$0.13	0.50	3,300,000
January 20, 2025	$0.24	0.81	250,000
September 28, 2027	$0.20	3.50	6,500,000
July 3, 2025	$0.06	1.26	1,166,666
November 9, 2025	$0.15	1.61	3,052,980
			14,269,646

The average share price of the date the options were exercised was $ 0.15 (2023 $ 0.13)

d) Share Purchase Warrants

The continuity of warrants outstanding and exercisable as of December 31, 2024, is as follows:

Expiry Date	Exercise Price	March 31, 2024	Issued	Exercised	Expired	December 31, 2024
December 18, 2024	$0.25	14,069,613	-	-	-	14,069,613
December 31, 2024	$0.25	6,954,266	-	-	-	6,954,266
November 27, 2025	$0.25	2,750,000	-	-	-	2,750,000
November 29, 2025	$0.25	5,454,132	-	-	-	5,454,132
December 22, 2025	$0.25	2,534,800	-	-	-	2,534,800
January 31, 2026	$0.25	2,797,200	-	-	-	2,797,200
February 29, 2026	$0.25	4,060,800	-	-	-	4,060,800
April 30, 2026	$0.25	-	488,400	-	-	488,488
February 29, 2026	$0.25	-	1,020,000	-	-	1,020,00
		38,620,811	1,508,400	-	-	40,129,211

The continuity of warrants for the year ended March 31, 2024, is as follows:

Expiry Date	Exercise Price	March 31, 2023	Issued	Exercised	Expired	March 31, 2024
December 18, 2024	$0.25	14,069,613	-	-	-	14,069,613
December 31, 2024	$0.25	6,954,266	-	-	-	6,954,266
November 27, 2025	$0.25	-	2,750,000	-	-	2,750,000
November 29, 2025	$0.25	-	5,454,132	-	-	5,454,132
December 22, 2025	$0.25	-	2,534,800	-	-	2,534,800
January 31, 2026	$0.25	-	2,797,200	-	-	2,797,200
February 29, 2026	$0.25	-	4,060,800	-	-	4,060,800
		21,023,879	17,596,932	-	-	38,620,811

On December 18, 2023, the Company extended the warrant expiration dates by one year. 14,069,613 warrants (359,613 broker warrants) had their expiry date extended to December 18, 2024 and 6,954,266 warrants (344,266 broker warrants) had their expiry moved to December 31, 2024.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 16 – SHARE CAPITAL (Continued)

The following weighted average assumptions were used in estimating the incremental fair value of the broker warrants using the Black-Scholes Option Pricing Model:

	December 31, 2024
Exercise price	$0.25
Volatility	80.53%
Risk free interest rate	3.66%
Expected dividend yield	0%
Forfeiture rate	0%

The outstanding warrants have a weighted average remaining life of 1.20 years.

NOTE 17 – REVENUES

Revenues from sale of gold doré, including by-products, are recorded net of smelting and refining costs.

During the period ended December 31, 2024, the Company recognized $1,063,339 (2023 – $1,872,515) in revenue with two customers. The customers accounted for 56% and 44% (2023 – 66% and 34%) of revenue respectively.

NOTE 18 – RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed.

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements are described as follows.

As at December 31, 2024 and March 31, 2024, the Company has the following amounts owing to related parties that are non-interest bearing, unsecured, and have no specified terms of repayment.

	December 31, 2024	**March 31, 2024**
	$	**$**
Due to a family member of the Company's President	380,634	168,163
Due to (from) a director and officer for management fees	270,553	109,067
Due to a director and officer for management fees and advances to the Company	187,204	147,341
Due to Related Parties	**838,391**	**424,571**

The convertible debenture holders participated in the unsecured non-brokered Convertible Debenture Financing converting part of this debt. As at December 31, 2024 and March 31, 2024, the balances owed (principal and interest) are as follows:

	December 31, 2024	**March 31, 2024**
	$	**$**
Due to a family member of the Company's President	129,375	120,899
Due to directors and officers	129,375	120,899
Due to a director (also an officer) for management fees and advances to the Company	133,154	124,791
Debentures	**391,904**	**366,589**

For the period ended December 31, 2024, $25,315(2024 - $33,600) of interest was expensed in relation to convertible debentures held by related parties.

(Expressed in Canadian Dollars, unless otherwise noted)

NOTE 18 – RELATED PARTY TRANSACTIONS (Continued)

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 CEO, CFO and the members of the Company's Board of Directors and corporate officers. During the period, key management personnel continued to defer all payments on invoices to maintain the Company's treasury resulting in an increase in amounts owed to related parties.

A consulting company owned by a family member of the Company's President (the "Consultant") is deemed a related party due to the familial connection between its owner and an Officer of the Company. During the period, the Contractor worked closely with Newlox Gold's Board and Officers consulting on all aspects of the business while continuing to defer all payments on invoices to maintain the Company's treasury resulting in an increase in amounts owing to related parties.

The remuneration of directors and key management personnel and related party contractors during the period ended December 31, 2024 and March 31, 2024 were as follows:

	December 31, 2024	March 31, 2024
	$	$
Management fees to directors and officers	282,595	366,820
Consulting fees to a director	-	-
Consulting fees to a family member of the Company's President	202,328	264,673
Share-based compensation	-	-
	484,924	631,493

NOTE 19 – FINANCIAL INSTRUMENTS

The financial at December 31, 2024 include cash, accounts payable and accrued liabilities, gold purchase option, due to related parties and convertible debentures. The carrying values of these financial assets and liabilities approximate their fair values due to their short-term nature. IFRS 13 Fair Value Measurement establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and
Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair value of cash is based on Level 1 inputs. Derivative liabilities are measured at fair value using Level 3 inputs. See Note 14 for more details.

Financial assets included in the consolidated statement of financial position are as follows:

	Level in fair value hierarchy	December 31, 2024	March 31, 2024
FVTPL:			
Cash	Level 1	$ 14,155	$ 283,982
		$ 14,155	$ 283,982

Financial liabilities included in the consolidated statement of financial positions are as follows:

	Level in fair value hierarchy	December 31, 2024	March 31, 2024
FVTPL:			
Gold purchase option	Level 3	$ 500,000	$ 500,000

(Expressed in Canadian Dollars, unless otherwise noted)

Amortized cost:		
Accounts payable and accrued liabilities	877,897	226,279
Due to related parties	838,391	424,571
Convertible debentures	4,300,780	3,632,855
	6,017,068	4,283,705

NOTE 19 – FINANCIAL INSTRUMENTS (Continued)

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 3. The Company's risk management is coordinated at its head office in Canada in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program.

The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below.

a) Foreign currency risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant. At March 31, 2024, a 10% fluctuation in foreign exchange rate would affect net loss by approximately $8,898.

b) Commodity price risk
The Company's revenues, earnings, and cash flows are directly related to the volume and price of previous metals sold and are sensitive to changes in market prices over which it has little or no control. See Note 14 for more information on the Company's gold purchase option sensitivity.

c) Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high-quality financial. The credit risk for cash is considered low since the counterparties are reputable banks with high-quality external credit ratings.

d) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities (Note 1).

The following is an analysis of the contractual maturities of the Company's financial liabilities as at December 31, 2024:

	Within one year	**Between one and five years**
Accounts payable and accrued liabilities	877,897	$ -
Due to related parties	838,391	-
Convertible debentures	3,096,662	1,204,118
Lease liabilities	21,575	7,515
	$ 4,834,525	$ 1,211,633

e) Interest rate risk

(Expressed in Canadian Dollars, unless otherwise noted)

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interests on the Company's convertible debentures are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

NOTE 20 – CAPITAL MANAGEMENT

The Company manages its shareholder's equity as capital. 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 and expansion of its business and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk level.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits.

The Company has no externally imposed capital requirements and has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes in the Company's approach to capital management during the period ended December 31, 2024.

NOTE 21 – SEGMENT REPORTING

At March 31, 2024, the Company operates in one operating segment, the operating tailings reclamation and gold recovery in Costa Rica. All of the Company's property, plant and equipment are located in Costa Rica. All revenue recognized during the periods ended December 31, 2024 and March 31, 2024 was earned in Costa Rica.

NOTE 22 – SUPPLEMENTAL CASH FLOW INFORMATION

	For the period ended December 31,	
	2024	**2023**
	$	**$**
Interest paid	91,100	103,530
	-	-
Non-cash investing and financing activities:	-	-
Additions to property, plant and equipment in accounts payable	-	-
Fair value of shares issued on conversion of debt	-	19,500

NOTE 23 – SUBSEQUENT EVENTS

None.