ADVANCED GOLD EXPLORATION INC.

(formerly Advance United Holdings Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

MS PARTNERS LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Advanced Gold Exploration Inc.

Opinion

We have audited the consolidated financial statements of Advanced Gold Exploration Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss in the past and currently has an accumulated deficit of $4,621,626. As stated in Note 1, these events or conditions, along with other matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified on respect of this matter.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MS Partners LLP

Toronto, Ontario
April 25, 2025

MS Partners LLP
Licensed Public Accountants

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Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Statements of Financial Position

As at December 31, 2024 and 2023

(Expressed in Canadian Dollars)

	Notes		2024		2023
Assets					
Current assets					
Cash	4	$	**43,860**	$	140,204
Harmonized sales tax recoverable	5		**6,256**		11,245
Other receivable	6		**-**		40,000
Prepaid expenses and deposits	7		**9,189**		10,121
Current assets			**59,305**		201,570
Mineral properties	8		**796,133**		771,133
Total Assets		$	**855,438**	$	972,703
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accrued liabilities	9	$	**156,272**	$	502,230
Flow-through premium liability	14(b)(ix)		**123,000**		45,667
Current Liabilities			**279,272**		547,897
Convertible debentures	10		**79,718**		-
Total Liabilities			**358,990**		547,897
Shareholders' Equity					
Share capital	14(b)		**4,775,455**		4,310,214
Warrants reserve	14(c)		**296,003**		290,423
Options reserve			**-**		10,524
Obligation to issue shares	19		**25,000**		169,000
Equity component convertible debentures	10		**21,616**		-
Deficit			**(4,621,626)**		(4,355,355)
Total Shareholders' Equity			**496,448**		424,806
Total liabilities and Shareholders' Equity		$	**855,438**	$	972,703

Nature of business and going concern (note 1)
Commitments (note 11)
Subsequent events (note 19)

Approved on Behalf of the Board:

(s) *"James Atkinson"* — Director

(s) "*Walter Henry*" — Director

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

Advanced Gold Exploration Inc.
(formerly Advance United Holdings Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	**December 31, 2024**	December 31, 2023
Expenses			
Management fees	12	**$ 92,000**	$ 7,500
Consulting fees		**31,500**	34,650
Professional fees		**51,863**	113,542
Office, general and administrative		**18,933**	37,991
Insurance		**18,044**	-
Listing, filing and regulatory		**23,706**	40,123
Investor relations		**46,695**	42,026
Total expenses		**282,741**	275,832
Loss before undernoted		**(282,741)**	(275,832)
Exploration and evaluation expenditures	8,12	**(203,141)**	(286,190)
Flow-through premium recovery	14(b)(viii)	**45,667**	21,400
Interest expense		**(625)**	-
Accretion of convertible debt		**(1,334)**	-
Loss on sale of 5% interest in Melba option		**-**	(8,361)
Gain on forgiveness of debt	13	**80,000**	-
Net loss and comprehensive loss		**$ (362,174)**	$ (548,983)

Net loss per share		
Weighted average number of shares - basic and diluted	69,390,887	50,316,293
Net loss per share - basic and diluted	**$ (0.01)**	$ (0.01)

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

Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

	Note	Number of shares	Amount $	Obligation to issue shares $	Equity component of convertible liability $	Warrants $	Options $	Deficit $	Total $
Balance at December 31, 2022		**49,248,906**	**4,245,198**	**-**	**-**	**169,037**	**42,664**	**(3,922,171)**	**534,728**
Common shares issued for property option	14(b)(i)	500,000	15,000	-	-	-	-	-	15,000
Private placement common shares issued	14(b)(ii)	2,700,000	135,000	-	-	-	-	-	135,000
Issuance of warrants	14(b)(ii)	-	(65,460)	-	-	65,460	-	-	-
Share issue costs	14(b)(ii)	-	(524)	-	-	-	-	-	(524)
Flow-through common shares issued	14(b)(ii)	350,000	26,250	-	-	-	-	-	26,250
Common shares issued for property option	14(b)(iii)	1,851,851	50,000	-	-	-	-	-	50,000
Common shares issued for property option	14(b)(iv)	2,000,000	60,000	-	-	-	-	-	60,000
Shares to be issued	14(b)(viii)	5,633,332	-	169,000	-	-	-	-	169,000
Issuance of warrants	14(b)(viii)	-	(139,584)	-	-	139,584	-	-	-
Flow-through share price premium	14(b)(viii)	-	(45,666)	-	-	-	-	-	(45,666)
Flow-through share price premium	14(b)(v)	-	30,000	-	-	-	-	-	30,000
Expiry of warrants	14(c)	-	-	-	-	(83,658)	-	83,658	-
Expiry of options	14(d)	-	-	-	-	-	(32,140)	32,140	-
Net loss and comprehensive loss for the year		-	-	-	-	-	-	(548,983)	(548,983)
Balance at December 31, 2023		**62,284,089**	**4,310,214**	**169,000**	**-**	**290,423**	**10,524**	**(4,355,355)**	**424,806**
Commons shares issued to settle debt	14(b)(vi)	1,250,000	62,500	-	-	-	-	-	62,500
Issuance of warrants	14(b)(vi)	-	(18,566)	-	-	18,566	-	-	-
Common shares issued to settle debt	14(b)(vii)	602,410	16,650	-	-	-	-	-	16,650
Collection of outstanding subscriptions	14(b)(viii)	-	169,000	(169,000)	-	-	-	-	-
Flow-through common shares issued	14(b)(ix)	8,200,000	205,000	-	-	-	-	-	205,000
Issuance of warrants	14(b)(ix)	-	(40,328)	-	-	40,328	-	-	-
Flow-through share price premium	14(b)(ix)	-	(123,000)	-	-	-	-	-	(123,000)
Private placement common shares issued	14(b)(ix)	3,260,000	81,500	-	-	-	-	-	81,500
Issuance of warrants	14(b)(ix)	-	(32,065)	-	-	32,065	-	-	-
Expiry of warrants	14(c)	-	-	-	-	(85,379)	-	85,379	-
Commons shares issued to settle debt	14(b)(x)	2,899,000	144,550	-	-	-	-	-	144,550
Expiry of options	14(d)	-	-	-	-	-	(10,524)	10,524	-
Obligation to issue flow-though shares		-	-	25,000	-	-	-	-	25,000
Equity portion of convertible debentures	14(b)(i)	-	-	-	21,616	-	-	-	21,616
Net loss and comprehensive loss for the year		-	-	-	-	-	-	(362,174)	(362,174)
Balance at December 31, 2024		**78,495,499**	**$ 4,775,455**	**$ 25,000**	**$ 21,616**	**$ 296,003**	**-**	**$ (4,621,626)**	**$ 496,448**

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

Advanced Gold Exploration Inc.

(formerly Advance United Holdings Inc.)

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

	December 31, 2024	December 31, 2023
Operating activities		
Net loss	**$ (362,174)**	$ (548,983)
Changes in non-cash working capital activities		
Harmonized sales tax recoverable	**4,989**	126,200
Other receivable	**40,000**	(19,560)
Prepaid expenses and deposits	**932**	1,311
Accounts payable and accrued liabilities	**(218,924)**	34,640
Flow-through share premium liability	**77,333**	6,963
Net changes in non-cash working capital balances	**$ (95,670)**	$ 149,554
Net cash flows used in operating activities	**(457,844)**	(399,429)
Investing activities		
Melba property option	**(25,000)**	25,000
Sale of 5% Melba property	**-**	33,274
Net cash flows (used in) provided by investing activities	**$ (25,000)**	**$ 58,274**
Financing activities		
Convertible debentures issued	**100,000**	-
Proceeds from private placements	**81,500**	290,250
Proceeds from Flow-through private placements	**205,000**	-
Proceeds from private placement to be issued	**25,000**	-
Share issuance costs	**-**	(524)
Net cash flows from financing activities	**411,500**	289,726
Net change in cash during the year	**(96,344)**	(51,429)
Cash, beginning of year	**140,204**	191,633
Cash, end of year	**$ 43,860**	$ 140,204

Non-cash transactions		
Interest paid	**$ 625**	$ -
Mineral properties acquired	**$ 25,000**	$ 125,000
Debt settlement	**$ 278,700**	$ -

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

1. NATURE OF BUSINESS AND GOING CONCERN

Advanced Gold Exploration Inc. (formerly Advance United Holdings Inc.) was incorporated under the laws of the Province of British Columbia on May 28, 2020. These consolidated financial statements include the accounts of it's wholly owned subsidiaries, Talisker Gold Corp.and Minebanq Inc. (together, "the Company” or "Advanced Gold"). On May 28, 2021, the Company's common shares became listed for trading on the Canadian Securities Exchange ("CSE") under the trading symbol ("AUHI") and Frankfurt Stock Exchange ("9I0"). In July 2022, the Company listed in the United States Over the Counter (OTCQB:AUHIF). On March 8, 2022, the Company received a Certificate of Continuance, moving from the Province of British Columbia, to the Province of Ontario. On September 20, 2023, Advance United Holding Inc. changed it's corporate name to Advanced Gold Exploration Inc. and it's trading symbol on the CSE to ("AUEX"). The Company is currently engaged in acquisition, exploration and development of mineral properties. The address of the Company's head office is Suite 606 - 30 Duncan St., Ontario M5V 2C3.

Going Concern

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations. Changes in future conditions could require material write downs of the carrying values.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the exploration programs will result in profitable operations. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non compliance with regulatory, environmental and social licensing requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

1. NATURE OF BUSINESS AND GOING CONCERN (Continued)

The Company has not realized a profit from operations and has incurred significant expenditures related to property exploration, resulting in a cumulative deficit of $4,621,626 as at December 31, 2024 (December 31, 2023 - $4,355,355). The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. Management cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy. As at December 31, 2024, the Company had current assets of $59,305 (December 31, 2023 - $201,570) to cover current liabilities of $156,272 (December 31, 2023 - $502,230), excluding the non cash flow through liability $123,000 at December 31, 2024 (December 31, 2023 - $45,667.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements (the “financial statements”) have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”). The accounting policies set out below have been applied consistently to all presented periods unless otherwise noted. The policies applied in these financial statements are based on IFRS issued and effective as of December 31, 2024.

(b) Approval of Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2024 and 2023 were approved and authorized by the Audit Committee and Board of Directors on April 25, 2025.
The Board of Directors of the Company has the power to amend the financial statement after issue.

(c) Basis of consolidation

These consolidated financial statements of the Company include the results of its, wholly owned subsidiaries "Talisker Gold Corp." ("Talisker") and Minebanq Inc. The financial transactions of the subsidiary are included in the consolidated financial statements from the date control is obtained. Intercompany balances, transactions, income, and expenses are eliminated. The accounting policies of the Company's subsidiary is the same as those of the Company.

(d) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars which is functional currency of the Company and its subsidiary. All financial information is expressed in Canadian dollars unless otherwise stated and has been rounded to the nearest dollar.

2. BASIS OF PRESENTATION (Continued)

(e) Critical accounting estimates

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the following items:

Share based payments

The fair value of share based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly substantive assumptions including the volatility of share prices, changes in substantive input assumptions can materially affect the fair value estimate.

Capitalization of mineral property costs

Management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits.

Impairment of mineral properties

While assessing whether any indications of impairment exist for mineral properties, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mineral properties. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used and indications of expected economic performance of the properties. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write down of the carrying amounts of the Company's mineral properties.

2. BASIS OF PRESENTATION (Continued)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned project acquisitions, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Income, value added, withholding and other taxes

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

Effective interest rate of convertible financial instruments:

For accounting of convertible financial instruments, the Company needs to determine the effective interest rate required to evaluate the required the fair value of the liability component. The effective interest rate should be the market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Determining such a market rate requires assumptions such as comparable loans on the market and qualitative and quantitative analysis of the financial position of the Company.

3. MATERIAL ACCOUNTING POLICIES

The following are a list of material accounting policies used by the Company.

(a) Cash

The Company holds all its cash at major Canadian financial institutions and has no cash equivalents.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Mineral properties

Where mineral properties are acquired through an acquisition agreement, management has determined that capitalized acquisition costs have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits. Costs of investigation incurred before the Company has obtained the legal right to explore an area are recognized in the statement of loss.

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- evaluating the technical feasibility and commercial viability of extracting a mineral resource

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the capitalized mineral property interest for that project, and subsequent costs incurred for the development of that project, are capitalized as mineral properties, a component of property, plant and equipment.

All mineral property interests are monitored for indications of impairment at each financial position reporting date. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that acquisition costs are not expected to be recovered, it is charged to the results of operations.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(c) Asset acquisition

The Company determines whether a transaction or other event is a business combination by applying the definition in IFRS 3, which requires that the assets acquired, and liabilities assumed constitute a business. If the assets acquired are not a business, the reporting entity shall account for the transaction or other event as an asset acquisition.

By examining the elements of inputs, process and outputs, the Company determines the assets acquired as an asset acquisition. Goodwill is not recorded as a result of an asset acquisition. Share based payments made for acquisition of assets are recognized at the fair value of assets acquired.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial instruments

Financial assets
Recognition and initial measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are classified as follows:

- Amortized cost   Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from an impairment, foreign exchange and derecognition are recognized in profit or loss.

- Mandatorily at fair value through profit or loss   Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets’ carrying amount are recognized in profit or loss. There are no financial assets held as FVTPL.

- Fair value through other comprehensive income   Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.

- Designated at fair value through profit or loss (FVTPL) – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets’ carrying amount are recognized in profit or loss. Financial assets measured at FVTPL are comprised of cash.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Write off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generated sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company’s claim to cash flows, and any features that modify consideration for the time value of money.

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. The Company recognizes expected credit losses (“ECL”) for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime Decals at each reporting date from the date of the trade receivable.

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case by case basis to determine whether they need to be written off.

For financial assets carried at amortized cost, the Company recognizes loss allowances for Decals on its financial assets measured at amortized cost. Decals are a probability weighted estimate of credit losses. The Company applies a three stage approach to measure Decals. The Company measures loss allowance at an amount equal to 12 months of expected losses for performing loans receivable if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses on loans receivable that have experienced a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

3. MATERIAL ACCOUNTING POLICIES (Continued)

The Company considers a material increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the loans receivable to be in default if they are 90 days past due. A material increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (i.e. change in credit assessment).

Objective evidence of impairment of financial assets carried at amortized cost exists if the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

Financial liabilities

Recognition and initial measurement

The Company recognizes a financial liability when it becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss. Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in consolidated profit or loss.

Derecognition of financial liabilities

The Company ceremonies a financial liability only when its contractual obligations are discharged, cancelled or expire.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Fair Value Hierarchy

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

Level 1 valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Investments are classified as Level 1

Level 2 valuation techniques based on inputs other than quoted prices including Level 1 that are observable for assets or liabilities, either directly (I.e. as prices) or indirectly (I.e. derived from prices); and

Level 3 valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

(e) Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period.
Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

(f) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s common shares, warrants, stock options and flow through shares are classified as equity instruments. Preference share capital is classified as equity if it is non retractable, or redeemable only at the Company’s option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is debited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital. For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

(h) Flow Through Shares

Upon the issuance of flow through shares, the Company records the initial proceeds to capital stock, net of tax liability, if any. The flow through share premium liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow through share financing. The financial liability pertaining to the premium is recognized in the statement of loss and comprehensive loss consistent with expenditure renunciations. As the Company incurs eligible Canadian Exploration Expenditures (“CEE”) to meet flow through requirements, a corresponding tax liability is recognized, reflecting the difference between the accounting and tax basis of the expenditures.

(i) Share Based payments

The Company accounts for share based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in stock option reserve, a component of equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non cash transactions are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of such goods and services are measured with reference to the fair value of the equity instruments issued. With respect to the acquisition of exploration and evaluation assets, the Company does not believe that the fair value of these assets is reliably measurable at the time of purchase. As such, when shares of the Company are issued as consideration for the purchase of exploration and evaluation assets, the fair value of the asset is based upon the price of the Company’s shares on the date of the agreement to issue shares as determined by the Board of Directors. In the event that options or warrants are issued where the fair value of goods or services are not reliably measurable, they are valued using the Black-Scholes pricing model.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect on loss per share is calculated presuming the exercise of outstanding options, warrants and similar instruments and the conversion of outstanding convertible debt. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of option, warrants and convertible debt that would be anti dilutive.

(k) Income taxes

Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purpose. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for tax losses and other deductions carried forward. Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. An asset is recognized on the statement of financial position only when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in operations in the period in which the change is substantively enacted.

APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company adopted the amendments to IAS 1 Presentation of Financial Statements regarding the classification of liabilities as current or non-current and non-current liabilities with covenants, amendments to IFRS 16 Leases regarding the measurement requirements for sale and leaseback transactions, and amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Statements: Disclosures regarding additional disclosures about supplier finance arrangements, which were effective for annual periods beginning on or after January 1, 2024. These amendments did not have a material impact on the consolidated financial statements.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (Continued)

Future changes in significant accounting policies

At December 31, 2024, the following standards and interpretations which may be applicable to the Company, but have not yet been applied in these consolidated financial statements, were in issue but not yet effective: IFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other IFRS standards:In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1, IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management-defined performance measures in the notes to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions. The Company is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company has not early adopted this IFRS.

Amendment to IAS 21

Lack of exchangeability requires an entity to use a consistent approach when exchanging a currency into another. If the currency is unexchangeable, a consistent approach must be used in determining the exchange rate and necessary disclosures.

The Company does not anticipate these amendments to have a significant impact on its consolidated financial statements.

4. CASH

The cash balance at December 31, 2024 consists of cash on deposit with a major Canadian bank in a general interest bearing account $43,860. (December 31, 2023 - $140,204).

5. OTHER RECEIVABLE

Harmonized sales tax recoverable consists of two ITC's paid during the period of October 1 to December 31, 2024 that were outstanding at December 2024 and expect to be fully collectable.

	December 31, 2024	December 31, 2023
Harmonized sales tax recoverable	$ 6,256	$ 11,245

(Expressed in Canadian Dollars)

6. OTHER RECEIVABLE

Other receivable balance consists of two December 2023 financing subscriptions, fully paid in January 2024.

	December 31, 2024	December 31, 2023
Other receivable	$ -	$ 40,000

7. PREPAID EXPENSES

Prepaid expenses represent advance payments made to vendors for expenses applicable to a future period. Advance payments include amounts paid in advance for Directors' and Officers' liability and Commercial Insurance.

8. EXPLORATION AND EVALUATION EXPENDITURES

Batchawana Properties

On April 15, 2018, the Company's subsidiary Talisker Gold Corp. entered into a Property Acquisition Agreement ("Batchawana Agreement") with JD Exploration Inc., a company owned by the Company's President and CEO, to acquire a 100% interest in two Batchawana mineral properties. The Batchawana properties consist of the Doyle property and Buck Lake property. The Batchawana Properties are subject to a 2% Net Smelter Royalty ("NSR"), of which 1% can be bought back at any time for $1,000,000.

Doyle Property

The Company's principal property, the Doyle Property, is located approximately 92 kilometres southeast of Wawa and 86 km north of Sault Ste. Marie, Ontario. The nearest settlement is the town of Wawa, current approximate population of 3,000 inhabitants, located at the junction of Provincial Highway 101 and the Trans Canada Highway 17. The Doyle Property lies within National Topographic System map sheet 41O/08 in Runnalls Township in the Algoma District of Central Ontario. The Doyle 3Property (gold/zinc) originally comprised of 52 mining claims, now comprises 73 cell mining claims covering 2,730 hectares. The Property is located in Runnalls Township.

Buck Lake Property

The Buck Lake property consists of 220 claims making 6,150 hectares (15,138 acres). The property covers a known critical metal (copper + zinc) deposit and has been extended to cover at least eight additional similar occurrences. There are also over 20 known EM Anomalies on the property. Total claims were increased from 139 to 220 with an additional 81 claims added subsequent to the quarter ended June 30, 2024. The Buck Lake Property lies in Lunkie Township in the Algoma District of Central Ontario approximately 50 kilometres northeast of Sault Ste. Marie and approximately 30 km NE of the village of Searchmont.

A filed assessment report on the 2022 diamond drilling will extend the property for at least five years (2027).

8. MINERAL PROPERTIES (Continued)

Melba property

On July 26, 2022, the Company announced it had signed two option agreements to acquire the Melba property. The first option agreement, to acquire 75% of 68 cell mining claims (100% owned) and 6 Leased cell mining claims and a second option agreement that is comprised of 11 cell mining claims (100% owned). The second option agreement of 11 cell mining claims are subject to a 2% NSR. The option agreement terms for the first option an aggregate $258,000 and 1,500,000 shares of capital of the Company. $58,000 in cash (paid $8,000 June 21, 2022 and $50,000 July 11, 2022) and 500,000 common shares (issued and valued at the June 21, 2022 market price) on signing, The 1st anniversary payment of $100,000 and 500,000 common shares were extended and then amended on December 22, 2023. The Company issued 500,000 shares to extend the terms from June 21, 2023 to December 22, 2023, at which time amendment was signed exchanging the $100,000 payment to 1,500,000 common shares and a cash payment of $25,000 (paid December 22, 2023). A 2nd anniversary payment of $100,000 and 500,000 shares of the Company due June 21, 2024 has been extended to October 1, 2024 with a cash payment of $25,000 and issuance of 250,000 shares. During the quarter, management made the decision to terminate the 2nd option as the 11 claims were deemed non core to the main Melba property option.

To date four gold bearing quartz calcite veins have been identified and trenched on the property. These include the Rolling Vein, Mike Vein, Blue Vein, and the Contact Vein.

Paint Lake Road Joint Venture (PLR JV)

On April 30, 2020, Talisker and Frontline Gold entered into a joint venture agreement (the "Paint Lake Road Joint Venture Agreement",or "PLR JV"), with each party having a 50% interest and Talisker acting as the operator of the joint venture.

The Paint Lake Road Joint Venture is in the Wawa area west and south of the open pit operation of Wesdome Mines. The project covers 6 claim blocks totaling 3,610 ha. The claims are contained within the Mishibishu Greenstone Belt which hosts the Eagle River Gold Mine and Mishi Open Pit belonging to Wesdome Mines. This area also hosts the former Magnacon Mine (Wesdome) and the Dorset Zone belonging to Angus Gold, Inc. which contains a non compliant resources of 100,000 oz. Au.

The 2022 Summer Work program outlined a series of VLF EM anomalies that may indicate shear zones on the property. The survey shows many structures of interest and identifies at least six northeasterly trending EM anomalies which may be related to shear zones cutting intrusive rocks in the nearby Eagle Mine gold mineralization comprising of quartz veins in shear zones cutting intrusive diorites. Most anomalies are sub parallel to and offsets of the regional Pukaskwa Iron Lake (PIL) Shear Zone which hosts gold mineralization locally at Abbie Lake to the north and David Lake to the south and regionally at Island Gold Mine of Alamos to the northeast. The area has recently been consolidated by other exploration companies and the property is surrounded by ground held by Angus Gold and Bold Ventures and the property is in a relatively unexplored area near the Wesdome's Mishi Open Pit Mine.

In 2023 Bold Ventures, have the property adjacent to PLR JV to the north and west, released results of an airborne survey which suggested a prospective mineralized structure could extend onto the PLR JV property. This will be explored in 2025.

(Expressed in Canadian Dollars)

8. MINERAL PROPERTIES (Continued)

Landrum Gold Property

On October 3, 2023, the Company announced an option to acquire a 100% interest in the Landrum gold property, located in South Carolina, USA. During the third quarter of 2024, the Company made a business decision to cancel the Landrum Gold Property.

Exploration and Evaluation Expenditures

	Buck Lake $	Doyle $	Melba $	Paint Lake JV $	Other $	Total $
Option agreement	-	-	75,000	-	-	75,000
Staking	4,100	550	40	-	-	4,690
Drilling	-	-	-	-	-	-
Fieldwork	37,751	75,928	4,642	-	-	118,321
Assay	-	-	5,173	-	-	5,173
Land Management	394	197	-	-	-	591
Other	900	(6,273)	-	-	4,739	(634)
	43,145	70,402	84,855	-	4,739	203,141

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the periods. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms.

	December 31, 2024	December 31, 2023
Trade and other payables	$ 125,272	$ 469,630
Accrued audit fees	31,000	32,600
	$ 156,272	$ 502,230

10.CONVERTIBLE DEBENTURES

On October 16, 2024, the Company completed a non-brokered private placement of 100 unsecured convertible debentures (each a "Debenture") at a price of $1,000 per Debenture for gross proceeds of $100,000. The Company intends to use the net proceeds for general working capital. The debentures mature in 3 years following the date of issue and bear interest at 3% per annum, commencing on December 31, 2024, (i) in cash; or (ii) the equivalent value in common shares based on a price per common share of $0.10 per common share. The holder of a debenture will have the right, from time to time and at any time after the date of issuance, to the maturity date, to convert all or any portion of the outstanding principal amount into Units, at a conversion price of $0.10 per Unit, subject to adjustment as herein provided. Each Unit shall be comprised of one Common Share and one warrant. Each warrant shall entitle the holder thereof to acquire one common share at a price of $0.15 per common share until the ate that is the third year from the date of issuance of the Debenture.

(Expressed in Canadian Dollars)

The above convertible debenture is a compound financial instrument. The Company allocated $78,384 of the net issuance costs of the debt to the liability component and $21,616 to the equity component. Management estimated the fair value of the debt using a discount rate of 12% applicable to the Company's business, with the residual value allocated to the equity component.

11. COMMITMENTS

Flow through common shares require the Company to incur an amount equivalent to the proceeds of the issued flow through common shares on eligible Canadian exploration expenditures. The Company is committed to indemnify current and previous flow through subscribers for any tax and other payable by them in the event the Company does not incur the required exploration expenditures. The Company is required to spend $205,000 in Canadian exploration and evaluation expenditures by December 31, 2025.

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Related Party Transactions

Related parties include the Board of Directors, audit committee members, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

The Company entered into the following transactions with related parties for the periods ended:

	December 31, 2024	December 31, 2023
Management and consulting fees charged by officers and directors	$ 92,000	$ 112,000
Rent to a shareholder with greater than 10% ownership	-	6,000
Management fees included in exploration and evaluation expense	4,552	68,225
Total	96,552	186,225

As at December 31, 2024, $30,128 (December 31, 2023 - $60,602) was included in accounts payable and accrued liabilities owed to management and directors of the Company. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Key Management Compensation

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non executive) of the Company. Key management of McLaren includes the President, Chief Executive Officer, and the Chief Financial Officer.

(Expressed in Canadian Dollars)

13.Debt Forgiveness

Due to the difficulties raising funds for junior mining in general and specifically for Advanced Gold, the Company was able to negotiate forgiveness of amounts owed to two suppliers.

14.SHARE CAPITAL

(a) Authorized

As at December 31, 2024, the Company'S authorized number of common shares was unlimited and without par value.

(B) Issued and outstanding

		December 31, 2024	
	Note	Shares	Amount
Balance at December 31, 2022		49,248,906	$ 4,245,198
Common shares issued for property option	14(b)(I)	500,000	15,000
Private placement, common shares	14(b)(ii)	2,700,000	135,000
Shares issued for warrants	14(b)(ii)	-	(65,460)
Share issuance costs	14(b)(ii)	-	(524)
Flow-through common shares issued	14(b)(ii)	350,000	26,250
Common shares issued for property option	14(b)(iii)	1,851,851	50,000
Common shares issued for property option	14(b)(iv)	2,000,000	60,000
Private placement Flow-through common shares	14(b)(viii)	5,633,332	-
Issuance of warrants	14(b)(viii)	-	(139,584)
Flow-through share price premium	14(b)(viii)	-	(45,666)
Flow-through share price premium adjustment	14(b)(v)	-	30,000
Balance at December 31, 2023		**$ 62,284,089**	**$ 4,310,214**
Shares issued on settlement of debt	14(b)(vi)	1,250,000	62,500
Issuance of warrants	14(b)(vi)	-	(18,566)
Shares issued on settlement of debt	14(b)(vii)	602,410	16,650
Flow-through common shares issued	14(b)(viii)	-	169,000
Flow-through common shares issued	14(b)(ix)	8,200,000	205,000
Issuance of warrants	14(b)(ix)	-	(40,328)
Private placement, common shares	14(b)(ix)	3,260,000	81,500
Issuance of warrants	14(b)(ix)	-	(32,065)
Flow-through share price premium	14(b)(ix)	-	(123,000)
Shares issued on settlement of debt	14(b)(x)	2,899,000	144,550
Balance at December 31, 2024		**78,495,499**	**$ 4,775,455**

(I) On June 20, 2023, the Company amended the Melba property agreement to extend the due date of the December 21, 2023 option payment to June 2024. In consideration for entering into to the amending agreement, the Company issued 500,000 common shares in the capital of the Company with a deemed value of $15,000.

(ii) On September 26, 2023, the Company closed a Private Placement issuing 2,700,000 common share units ("HUD") at a price of $0.05 per HUD for total proceeds of $135,000 and 350,000 flow-through common share units ("FT") at a price of $0.075 per FT for total proceeds of $26,250. Each Unit is comprised of one common share and one share purchase warrant which entitles the holder to acquire a common share at a price of $0.10 per common share for a period of thirty-six (36) months from the date of issue. The closing date fair value of the warrants is estimated to be $65,460 based on their Black-Scholes value using the assumptions in Note 11(ac). No finders fees were paid in connection with the financing and costs of $524 were incurred.

(iii) On October 3, 2023, the Company entered into an option agreement to acquire a 100% interest in the Landrum Gold Property, located in South Carolina, USA. Under the terms of the agreement, the Company was required to make a $50,000 cash payment and issue $50,000 worth of common shares (1,851,851 shares) and series of cash payments and issuance of shares over three years. During the quarter ended September 30, 2024, management made a business decision to cancel the Landrum Gold Property option.

(iv) On December 22, 2023, the Company exercised its option on the Melba property by issuing 2,000,000 common shares and paying $25,000 in cash.

(v) On December 31, 2023, the Company adjusted a previously reported flow-through premium by $30,000 as previously issued unpronounced flow-through shares were converted into a hard dollar financing.

(vi) On January 25, 2024, the Company settled an aggregate of $62,500 of indebtedness to an arm's length creditor of the Company through the issuance of 1,250,000 common share units at a price $0.05 per unit. Each unit is comprised of one common share purchase warrant with an exercise price of $0.05 per common share for a period of five (5) years from the date of issuance. Warrants were valued at $18,566 using the Black-Scholes valuation model using the terms listed in note 14(ac). No gain or loss was recorded on the transaction.

(vii) On March 27. 2024, the Company settled an aggregate of $16,650 of indebtedness to an arm's length creditor of the Company through the issuance of 602,410 common shares in the capital of the Company at a negotiated price of $0.028 per common share. No gain or loss was recorded on the transaction.

(viii) On April 5, 2024, the Company closed the November 27 and December 4, 2023 non-brokered financing's issuing 5,633,332 flow-through units ("FT") at a price of $0.03 per unit for total proceeds of $169,000. Each FT consists of one common share issued on a flow-through basis and one non-flow-through share purchase warrant exercisable at $0.05 for a period of up to 5 years. As the shares were issued at premium to the market price, a share price premium of $45,667 has been recognized in the balance sheet. This premium is reduced and taken into income as the funds are spent on Canadian Exploration Expenditures ("CEE").

(Expressed in Canadian Dollars)

(ix) On September 03, 2024, the Company closed two non-brokered private placements, issuing 8,200,000 flow-through units ("FT") at a price of $0.025 per FT, raising $205,000 and issuing 3,260,000 common share non-flow through units ("NT") at a price of $0.025 per NT, raising $81,500. As the flow-through shares were issued at $0.015 higher than the market price, a share price premium was calculated at $123,000. The flow-through funds will the used on the Company's Buck Lake property, a copper-zinc project and the non-flow through will be used for general working capital. A shareholder has become an insider with participation in this financing. Warrants were valued at $40,328 on the FT and $32,065 on the NT's using the Black-Scholes valuation model with the terms listed in note 14(ac).

(x) On October 11, 2024 the Company settled $144,550 in debt with the issuance of 2,899,000 common shares. No gain or loss was recorded on the transaction.

(c) Warrants

The following table shows the continuity of warrants for the periods presented:

		December 31, 2024	December 31, 2023
Outstanding, beginning of year		**$11,468,232**	$ 3,131,901
Expired		**(2,959,900)**	(172,001)
Issued	14(b)	**8,610,000**	8,508,332
Outstanding, end of year		**$17,118,332**	**$ 11,468,232**

The following table reflects the warrants outstanding as at December 31, 2024:

Date issued	Number of Warrants	Fair Value of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life (years)	Expiry Date
Sept 28, 2023	2,875,000	$ 65,460	$0.10	3.75	Sept 28, 2028
Dec 28, 2023	5,633,332	$ 139,584	$0.05	3.99	Dec 28, 2028
Jan 25, 2024	1,250,000	$ 18,566	$0.10	4.07	Jan 25, 2029
Sept 28, 2024	4,100,000	$ 40,326	$0.10	4.75	Sept 28, 2029
Sept 28, 2024	1,200,000	$ 11,803	$0.10	4.75	Sept 28, 2029
Sept 28, 2024	60,000	$ 590	$0.05	4.75	Sept 28, 2029
Sept 28, 2024	2,000,000	$ 19,672	$0.05	4.75	Sept 28, 2029
Totals	**17,118,332**	**$ 296,001**	**$0.07**	**4.28**	

The fair values of warrants issued were calculated based on the following assumptions:

	Sep 26, 2023	Dec 28, 2023	Jan 25, 2024	Sep 03, 2024	Sep 03, 2024
Risk free interest rate	4.66 %	3.02 %	3.52 %	2.94 %	2.94 %
Expected volatility	227 %	242 %	246 %	246 %	246 %
Expected life (in years)	3.0	5.0	5.0	5.0	5.0
Expected dividend rate	-	-	-	-	-
Exercise price	$ 0.10	$ 0.05	$ 0.10	$ 0.10	$ 0.05

(Expressed in Canadian Dollars)

(d) Stock Options

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, where applicable, grant to directors, officers, employees and consultants of the Company options to purchase the Company'S shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

As at December 31, 2024 there are no common share options held by directors, officers or consultants.

The following table outlines the stock option transactions during the periods:

	December 31, 2024		December 31, 2023	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Balance at opening	**250,000**	**$ 0.10**	1,250,000	$ 0.10
Cancelled	-	-	-	-
Expired	(250,000)	-	(1,000,000)	-
Granted	-	-	-	-
Balance at closing	**-**	**$ -**	**250,000**	$ 0.10

15.CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' deficit. The Board of Directors does not establish a 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.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debts or equity or similar instruments to obtain additional financing.

The Company's over all strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirements as at December 31, 2024.

16.FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and to up to date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative, financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on going basis.

Commodity risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Credit risk

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short term timing fluctuations.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

Fair value

The fair value of certain of the Company's financial instruments. including cash, bank overdraft, accounts payable and accrued liabilities, are estimated by management to approximate their carrying values due to their short term nature.

(Expressed in Canadian Dollars)

17.INCOME TAXES

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rates for the years ended December 31, 2024 and December 31, 2023 is as follows:

	December 31, 2024	December 31, 2023
Combined statutory income tax rates	26.50 %	26.50 %
Net income (loss)	$ (362,174)	$ (548,983)
Expected recovery of income taxes based on statutory rates	95,976	145,480
Adjustments to tax (benefit) expense resulting from:		
Non deductible permanent differences	(33,302)	-
Timing differences	-	-
Change in deferred tax assets not recognized	(62,674)	-
Current income tax provision	$ -	$ -

If not utilized, the non capital losses will expire as follows:

Years of Expiry		Amount $
2041		771,325
2042		934,507
2043	-	
2044	-	
		1,705,832

18.LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The effect of stock options and warrants was anti dilutive and hence, the diluted loss per share equals the basic loss per year.

19.SUBSEQUENT EVENTS

On February 9th, 2025, the Company closed a non-brokered Flow-through private placement through issuance of 1,000,000 Flow-through common share units at a price of $0.025 per unit for an aggregate gross proceeds of $25,000.

On April 8, 2025, the Company announced a non-brokered Private Placement through the issuance of up to 4,000,000 Units at a price of $0.05 per Unit. Each Unit will be comprised of one common share and one commons share purchase warrant exercisable at $010 for a period of three years.