FINLAY MINERALS LTD.

Financial Statements

December 31, 2024
and
December 31, 2023

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Finlay Minerals Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Finlay Minerals Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 financial statements, which indicates that the Company has incurred operating losses since inception, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Significant accounting judgments, estimates and assumptions, note 2 – Accounting policy for Exploration and evaluation expenditures and note 6 Exploration and evaluation assets Management assesses at each reporting period whether	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.

there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.	• Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the properties had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
April 29, 2025

FINLAY MINERALS LTD.

Statements of Financial Position

AS AT DECEMBER 31

Expressed in Canadian Dollars

See accompanying notes to the financial statements

	2024	2023
ASSETS	**$**	**$**
Current Assets		
Cash and cash equivalents	208,297	418,052
GST receivable	7,310	2,486
Marketable Securities (Notes 4 and 6)	91,307	222,960
Prepaid expenses	33,220	51,529
	340,134	695,027
Non-Current Assets		
Reclamation deposits (Note 5)	120,900	120,900
Exploration and evaluation assets (Note 6)	11,265,171	11,095,664
	11,726,205	11,911,591
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payables and accrued liabilities	21,168	34,057
Due to related parties (Note 8)	4,853	4,082
	26,021	38,139
Non-Current Liabilities		
Deferred income taxes (Note 12)	1,592,912	1,693,494
	1,618,933	1,731,633
Shareholders' Equity		
Share capital (Note 9)	12,918,878	12,718,878
Contributed surplus	2,427,132	2,427,132
Investment revaluation reserve	(22,589)	34,865
Deficit	(5,216,149)	(5,000,917)
	10,107,272	10,179,958
	11,726,205	11,911,591

Nature and continuance of operations (Note 1)
Subsequent Events (Note 15)

Approved by the Board of Directors and authorized for issue on April 29, 2025

"Robert F Brown" , Director

"Alvin Jackson" , Director

FINLAY MINERALS LTD.

Statements of Comprehensive Loss

FOR THE YEARS ENDED DECEMBER 31

Expressed in Canadian dollars

See accompanying notes to the financial statements

	2024	2023
	$	$
Operating Costs and Expenses		
Accounting	30,915	42,730
Advertising and promotion	85,604	80,192
Bank charges and interest	3,418	3,763
Consulting	4,741	7,156
Insurance	16,192	18,772
Legal	22,715	28,222
Office and administration (Note 7)	55,645	22,799
Rent	16,873	16,224
Salaries and benefits (Note 7)	70,974	71,051
Stock-option compensation (Notes 7 and 9)	-	136,350
Travel and accommodation	866	5,195
Trust and filing fees	21,109	25,601
	329,052	458,055
Loss before other items	(329,052)	(458,055)
Flow-through recovery (Note 13)	-	33,333
Part XII.6 tax	(2,268)	-
Interest Income	15,777	16,998
Dividend income net of withholding tax	595	206
Foreign exchange loss	(867)	(1,209)
Loss before income taxes	(315,815)	(408,727)
Deferred income tax recovery (Note 12)	100,583	14,430
Net loss for the year	(215,232)	(394,297)
Other comprehensive income (loss) items that may not be reclassified subsequently to profit or loss:		
Net change in fair value of marketable securities	(61,475)	59,114
Realized gain on sale of marketable securities	4,021	-
	(57,454)	59,114
Net loss and comprehensive loss for the year	(272,686)	(335,183)
Weighted average number of common shares	138,286,095	133,838,782
Basic and diluted loss per share	0.00	0.00

FINLAY MINERALS LTD.

Statement of Cash Flows

FOR THE YEARS ENDED DECEMBER 31

Expressed in Canadian dollars

See accompanying notes to the financial statements

	2024	2023
	$	$
CASH PROVIDED BY (USED FOR):		
Operating Activities		
Net loss for the year	(215,232)	(394,297)
Add (deduct) non-cash items		
Flow-through recovery	-	(33,333)
Deferred income tax recovery	(100,583)	(14,430)
Stock-option compensation	-	136,350
	(315,815)	(305,710)
Changes in non-cash working capital		
GST receivable	(4,824)	33,209
Prepaid expenses	18,309	(22,156)
Accounts payable and accrued liabilities	655	523
Due to related parties	771	3,033
	(300,904)	(291,101)
Investing Activities		
Reclamation deposit	-	(13,400)
Cash received pursuant to Option Agreement	-	50,000
Mineral property costs (net)	(183,050)	(92,651)
Proceeds from sale of marketable securities	74,199	-
	(108,851)	(56,051)
Financing Activities		
Warrants exercised	200,000	5,555
Private placements	-	550,000
Share issue costs	-	(6,950)
	200,000	548,605
INCREASE (DECREASE) IN CASH POSITION	(209,755)	201,453
Cash position, beginning of the year	418,052	216,599
CASH POSITION, END OF YEAR	208,297	418,052
Cash position includes:		
Cash	*119,017*	*304,218*
Short-term deposits	*14,280*	*13,834*
Term deposit and high interest savings account	*75,000*	*100,000*
	208,297	*418,052*

See Note 14 for supplementary cash flow information

FINLAY MINERALS LTD.
Statements of Changes in Equity
FOR THE YEARS ENDED DECEMBER 31

All values expressed in Canadian dollars
See accompanying notes to the financial statements

	Number of Shares	Share Capital	Contributed Surplus	Investment Revaluaton Reserve	Deficit	Total Equity
		$	$	$	$	$
December 31, 2022	**127,666,788**	**12,203,606**	**2,290,782**	**(24,249)**	**(4,606,620)**	**9,863,519**
Warrants exercised	111,111	5,555	-	-	-	5,555
Private placements	10,333,333	516,667	-	-	-	516,667
Share issue costs	-	(6,950)	-	-	-	(6,950)
Stock-option compensation	-	-	136,350	-	-	136,350
Other comprehensive income for the year	-	-	-	59,114	-	59,114
Net loss for the year	-	-	-	-	(394,297)	(394,297)
December 31, 2023	**138,111,232**	**12,718,878**	**2,427,132**	**34,865**	**(5,000,917)**	**10,179,958**
Warrants exercised	2,000,000	200,000	-	-	-	200,000
Other comprehensive loss for the year	-	-	-	(57,454)	-	(57,454)
Net loss for the year	-	-	-	-	(215,232)	(215,232)
December 31, 2024	**140,111,232**	**12,918,878**	**2,427,132**	**(22,589)**	**(5,216,149)**	**10,107,272**

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the acquisition and exploration of resource properties. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search. There is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is not possible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Although the Company has taken steps to verify title to resource 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 and non-compliance with regulatory requirements.

These financial statements have been prepared on a going-concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses since inception with a comprehensive loss for the year ended December 31, 2024 of $272,686, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The application of the going-concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going-concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going-concern will be impaired. The outcome of these matters cannot be predicted at this time.

2) MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ('IFRIC").

Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going-concern for the next year;
- the determination of the fair maket value of common shares issued in exchange for exploration and evaluation assets; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

Exploration and evaluation expenditures

Once a license to explore an area has been secured, expenditures on mineral properties are capitalized to exploration and evaluation assets.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration and evaluation expenditures are not expected to be recovered they are charged to operations.

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue the shares was concluded.

Impairment of non-financial assets

At the end of each reporting year, and when relevant triggering events and circumstances occur, the carrying amounts of the Company's non-financial 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. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Income taxes

The Company uses the statement of financial position method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow-through shares

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the sale of the tax deduction is valued (using the residual method) and deferred as a flow-through liability. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the flow-through liability is reversed, and a deferred income tax liability is recognized.

Previously unrecognized deferred income tax assets may be used to reduce the deferred income tax liability amount recognized, and the Company will recognize a future income tax recovery to this extent.

Share-based payments

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and a corresponding amount is transferred to share capital from contributed surplus.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

Expressed in Canadian dollars

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Reclamation deposits

The Company maintains cash deposits as required by regulatory bodies as assurance for the funding of reclamation costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled. Reclamation deposits are classified as non-current assets.

Mineral Exploration Tax Credit ("METC")

The Company recognizes METC amounts when the Company's METC application is approved by the Canada Revenue Agency or when the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Financial assets

Cash and cash equivalents are classified as subsequently measured at amortized cost.

Investments in Cascadia Minerals Ltd. (formerly ATAC Resources Ltd.) and Hecla Mining Company are irrevocably classified, at the Company's election, as subsequently measured at fair value through other comprehensive income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date.

Reclamation deposits are classified as subsequently measured at amortized cost.

Financial liabilities

Trade payables are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Accounts payable and accrued liabilities are subsequently measured at amortized cost.

Due to related parties is subsequently measured at amortized cost.

3) NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

There are no new accounting standards or recent pronouncements that the Company anticipates will have a material impact on the financial statements.

4) MARKETABLE SECURITIES

On July 10, 2023, ATAC Resources Ltd. announced the completion of its merger with Hecla Mining Company and the spin-out of the new exploration company, Cascadia Minerals Ltd. As a result of this transaction, the Company's 851,285 ATAC Resources Ltd. shares were converted to 14,131 Hecla Mining Company shares and 85,128 Cascadia Mineral shares. On December 8, 2023, the Company was issued a further 264,690 Cascadia Minerals Ltd. shares pursuant to the second year share issuance obligations relating to the PIL Property Option Agreement. During the year ended December 31, 2024, the Company sold 162,000 shares of Cascadia Minerals Ltd. and 4,000 shares of Hecla Mining Company. The Company now holds a total of 187,818 shares of Cascadia Minerals Ltd. and 10,131 shares of Hecla Mining Company. The shares of these corporations are traded on the TSX Venture Exchange.

	2024	2023
	$	$
Marketable securities -- fair value	91,307	222,960
Marketable securities -- cost	115,232	188,095

See Note 6.

Expressed in Canadian dollars

5) RECLAMATION BONDS

The Company's reclamation bonds relate to the following properties:

	2024	2023
	$	$
Silver Hope	35,500	35,500
PIL	67,000	67,000
ATTY	18,400	18,400
	120,900	120,900

6) EXPLORATION AND EVALUATION ASSETS

Omineca Mining Division
British Columbia

Silver Hope Claims

The Company has a 100% interest in 45 mineral tenures, eight of which are subject to a 1½% Net Smelter Returns royalty ("NSR"), and were acquired in 2006 by the issuance of two million common shares. One half of the NSR (3/4%) is purchasable prior to a production decision for $1 million dollars.

PIL-Gold Claims

The Company has a 100% interest in 39 mineral tenures (formerly 376 mineral claim units) of which 23 mineral claims were acquired from a private company controlled by a director of the Company with consideration for the issuance to that private company of nine million common shares (post subdivision) and a 3% NSR. The Company is also obligated to issue a further two million shares to this private company when the property is put into commercial production and may also, prior to that date, purchase a 1½ % NSR (½ of the 3% NSR) for $2 million dollars.

On February 21, 2022, and subsequently amended on February 28, 2022, the Company entered into a Property Option Agreement with Cascadia Minerals Ltd. ("Cascadia") (formerly ATAC Resources Ltd.) whereby Cascadia had the option to earn a 70% interest in the Company's wholly-owned PIL Property. Pursuant to the Property Option Agreement, Cascadia could exercise the option and acquire a 70% interest in the property by making cash and share payments having an aggregate cash equivalent value of $1,900,000 and incurring an aggregate of $12,000,000 in exploration expenditures, in staged amounts, on or before December 31, 2026.

On December 27, 2024, Cascadia terminated the PIL Property Option Agreement dated February 21, 2022 and the subsequent amendments. The total consideration received by the Company pursuant to the PIL Property Option Agreement from Cascadia was $161,905 in cash, 349,818 shares of Cascadia and 14,131 shares of Hecla Mining Company. Cascadia also completed $2,521,495 of exploration work on the PIL Property. The operatorship of the PIL Property has reverted to the Company; the Company maintained 100% ownership of all the mineral tenures during the option period and continues to hold 100% ownership following the termination of the option agreement. The PIL Property tenures are in good standing until 2032 and 2034.

Expressed in Canadian dollars

6) EXPLORATION AND EVALUATION ASSETS *(continued)*

ATTY Claims

The Company has a 100% interest in 15 mineral tenures which are all in good standing until 2031 and 2032.

On March 1, 2018, in connection with entering into the Option Agreement (the "OA"), the Company and Electrum Resource Corp. (the "RH") entered into an amending agreement to amend the purchase agreement between the Company and the RH dated as of July 29, 1999 (the "PA") so that (i) certain clauses only apply to the ATTY claims and not the PIL claims; and (ii) to provide for a separate royalty agreement between the Company and the RH relating to the PIL claims. The PA was amended as follows:

- As additional consideration for the original purchase, the Company will issue 500,000 shares of the Company to the RH immediately following an ATTY Project Production Decision (as defined in the OA); and
- Prior to an ATTY Project Production Decision (as defined in the OA), the Company may, at its sole discretion, purchase one half (1.5%) of the NSR from RH by paying $1 million.

On August 26, 2022, the Company acquired the ATG Property, comprised of 3 tenures adjacent and contiguous to the ATTY Claims, from the RH for consideration consisting of 1,750,000 common shares of the Company with a fair value of $140,000. As a result of the ATG Property purchase, the NSR now applies over the ATG Property and the pre-existing ATTY Claims and, pursuant to the terms of the Purchase Agreement, the Buy-Back Right has been amended such that the Company retains the right to buy back one-half of the NSR (1.5%) for an aggregate payment to the RH in the amount of $1,500,000. On November 17, 2022, the Company received Exchange acceptance of the ATG Purchase Transaction. The RH and the Company are related by way of common directors.

SAY Claims

The Company acquired 100% interest in the SAY Property on July 12, 2024 from the RH at a cost of $50,000 and subject to a NSR royalty of 1.5% in favour of the RH with the Company retaining the right to buy back one-half of the NSR royalty (0.75%) for an aggregate payment to the RH of $1,500,000. Additionally, upon completion of a feasibility study on the SAY, the Company will make an aggregate payment to the RH of $300,000. The SAY Property is comprised of 21 mineral tenures with all the tenures in good standing until late 2025, 2026 and 2027.

	December 31 2022 $	Net Reduction $	December 31 2023 $	Net Increase $	December 31 2024 $
BRITISH COLUMBIA					
Silver Hope Claims					
Acquisition	166,873	-	166,873	-	166,873
Assay	431,354	49,343	480,697	-	480,697
Camp and travel	675,485	17,943	693,428	-	693,428
Drilling	2,037,764	-	2,037,764	-	2,037,764
Equipment rental	135,185	12,791	147,976	-	147,976
Field office	38,218	-	38,218	-	38,218
Geological	1,059,969	181,726	1,241,695	25,023	1,266,718
Geophysical	917,213	70,880	988,093	69,796	1,057,889
Road construction	124,675	-	124,675	-	124,675
Tenure management	61,814	-	61,814	-	61,814
BCMETC refund	(134,913)	(226,588)	(361,501)	(38,594)	(400,095)
	5,513,637	106,095	5,619,732	56,225	5,675,957

Expressed in Canadian dollars

6) EXPLORATION AND EVALUATION ASSETS *(continued)*

PIL Claims					
Acquisition	28,536	-	28,536	-	28,536
Assay	262,918	-	262,918	-	262,918
Camp and travel	890,817	-	890,817	-	890,817
Drilling	1,466,687	-	1,466,687	-	1,466,687
Equipment rental	110,607	-	110,607	-	110,607
Field office	105,081	-	105,081	-	105,081
Geological	1,018,687	-	1,018,687	344	1,019,031
Geophysical	527,360	-	527,360	-	527,360
Road construction	402,273	-	402,273	-	402,273
Tenure management	35,215	-	35,215	-	35,215
BCMETC refund	(94,188)	-	(94,188)	-	(94,188)
Recovery	(200,000)	(150,000)	(350,000)	-	(350,000)
	4,553,993	(150,000)	4,403,993	344	4,404,337
ATTY Claims					
Acquisition	140,540	-	140,540	-	140,540
Assay	52,867	-	52,867	-	52,867
Camp and travel	385,840	-	385,840	-	385,840
Equipment rental	30,725	-	30,725	-	30,725
Field office	13,092	-	13,092	-	13,092
Geological	113,254	1,274	114,528	-	114,528
Geophysical	489,198	-	489,198	-	489,198
Tenure management	20,135	-	20,135	-	20,135
BCMETC refund	-	(39,986)	(39,986)	-	(39,986)
Recovery	(125,000)	-	(125,000)	-	(125,000)
Royalty buyback payment	(10,000)	-	(10,000)	-	(10,000)
	1,110,651	(38,712)	1,071,939	-	1,071,939
SAY Claims					
Acquisition	-	-	-	50,000	50,000
Assay	-	-	-	5,295	5,295
Camp and travel	-	-	-	20,536	20,536
Geological	-	-	-	25,986	25,986
Tenure management	-	-	-	11,121	11,121
	-	-	-	112,938	112,938
Total exploration and evaluation expenditures	11,178,281	(82,617)	11,095,664	169,507	11,265,171

Expressed in Canadian dollars

7) RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

	2024 $	2023 $
Key management personnel compensation:		
Mineral property geological consulting	6,405	22,014
Stock-option compensation	-	136,350
Wages and benefits, and other compensation	108,159	96,013

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8) DUE TO RELATED PARTIES

At December 31, 2024, the Company owes $4,853 (2023 - $4,082) to an officer (2023 - three officers) of the Company. The amounts are unsecured, do not bear interest and have no fixed terms of repayment.

9) SHARE CAPITAL

a) The authorized share capital of the Company consists of: an unlimited number of common shares.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

On May 29, 2023, the Company issued a total of 10,333,333 common shares pursuant to a non-brokered private placement financing. The share issuances were comprised of (i) 3,333,333 flow-through units ("FT Units") at a price of $0.06 per FT Unit (the "FT Unit Price"), with each FT Unit comprising one common share of the Company which qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada) and one-half of a non-flow-through warrant (each whole warrant a "Unit Warrant"), and (ii) 7,000,000 non-flow through units ("NFT Units") at a price of $0.05 per NFT Unit (the "NFT Unit Price"), with each NFT Unit comprising one non-flow-through common share of the Company and one-half of a Unit Warrant. Each whole Unit Warrant entitles the holder thereof to acquire one additional non-flow-through common share of the Company (a "Warrant Share") at an exercise price of $0.10 per Warrant Share for a period of twenty-four months from the closing of the Private Placement. The Company paid cash share issue costs of $6,950; no finders fees were paid.

See Note 13.

On June 27, 2023, the Company issued 111,111 common shares pursuant to the exercise of 111,111 warrants at an exercise price of $0.05.

Expressed in Canadian dollars

9) SHARE CAPITAL *(continued)*

On November 29, 2024, the Company issued 2,000,000 common shares pursuant to the exercise of 2,000,000 warrants at an exercise price of $0.10 to a director and officer of the Company.

	2024		2023	
	Number of Shares	**$**	**Number of Shares**	**$**
Opening balance	138,111,232	12,718,878	127,666,788	12,203,606
Issued for:				
Private Placements	-	-	10,333,333	516,667
Warrants exercised	2,000,000	200,000	111,111	5,555
Share issue costs	-	-	-	(6,950)
Ending Balance	140,111,232	12,918,878	138,111,232	12,718,878

b) Share purchase options

The Company has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company. The Plan was amended in 2022 in order to meet Exchange requirements under the new TSX-V Policy 4.4 - Security Based Compensation. Accordingly, the new Plan has a provision that disinterested shareholder approval will be obtained for any extension of the term of a stock option granted to an insider.

The Plan was approved at the June 26, 2024 Annual General and Special meeting.

On August 21, 2023, the Company issued 5,050,000 stock options to directors and officers of the Company. The stock options are exercisable at a price of $0.05 per share for a period of five years, expiring on August 21, 2028, are subject to the terms of the Plan, and vested as of the date of the grant; the stock options and any common shares issued upon exercise of the stock options are subject to a four-month resale restriction expiring on December 22, 2023. The grant of the 5,050,000 stock options realized a stock-option compensation expense of $136,350. For further information regarding the variables used to calculate this stock option expense, refer to Note 9 (d).

The following is a summary of the changes in the Company's outstanding stock options:

	2024		2023	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Balance, beginning of the year	10,400,000	0.09	5,350,000	0.13
Expired	(1,200,000)	0.11	-	-
Issued	-	-	5,050,000	0.05
Balance, end of the year	9,200,000	0.09	10,400,000	0.09
Exercisable, end of the year	9,200,000	0.09	10,400,000	0.09
Weighted average years to expiry		2.76		3.55

Expressed in Canadian dollars

9) SHARE CAPITAL *(continued)*

Outstanding options details:

Number of Options	Option Expiry Date	Option Exercise Price $
4,050,000	August 30, 2026	0.14
100,000	September 13, 2027	0.08
5,050,000	August 21, 2028	0.05
9,200,000		

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	2024		2023	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of the year	20,815,049	0.18	42,325,131	0.11
Expired	(13,125,000)	0.20	(26,565,637)	0.05
Issued	-	-	5,166,666	0.10
Exercised	(2,000,000)	0.10	(111,111)	0.05
Balance, end of the year	5,690,049	0.14	20,815,049	0.18
Weighted average years to expiry		1.06		1.31

Outstanding warrant details:

Number of Warrants	Warrant Expiry Date	Warrant Exercise Price $
3,166,666	May 29, 2025	0.10
2,523,383	November 18, 2026	0.20
5,690,049		

Expressed in Canadian dollars

9) SHARE CAPITAL *(continued)*

d) Contributed surplus

Contributed surplus records the fair value of share-based payments, compensation options and agent warrants until such time that the options and warrants are excercised, at which time the corresponding amount will be transferred to share capital.

The fair value of the stock options granted during the year ended December 31, 2023 was estimated as at the date of issuance using the Black-Scholes option-pricing model applying the following assumptions:

	2023
	$
Dividends	nil
Volatility	149.64%
Risk-free interest rate	4.14%
Expected life	5 years
Expected rate of forfeiture	0%

10) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going-concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments.

11) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents, amounting to $208,297 at December 31, 2024 (2023 - $418,052). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and related party balance obligations. The Company maintained sufficient cash and cash equivalent balances to meet these needs at December 31, 2024.

Expressed in Canadian dollars

11) FINANCIAL INSTRUMENT RISKS *(continued)*

Interest Rate Risk

The Company has cash balances, a term deposit and high interest savings accounts. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking insititutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value classification of the company's financial instruments as at December 31, 2024 and 2023 is as follows:

		2024	**2023**
	Fair value level	**Fair value through other comprehensive income $**	**Fair value through other comprehensive income $**
Financial assets:			
Investment in Cascadia Minerals Ltd.	**1**	19,721	132,931
Investment in Hecla Mining Company.	**1**	71,586	90,029

During the years ended December 31, 2024 and 2023, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.

12) INCOME TAXES

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

	2024 $	**2023** $
Net loss for the year before tax	(315,815)	(408,727)
Expected income tax recovery	(85,270)	(110,356)
Net adjustment for deductible and non-deductible amounts	(15,313)	41,926
Effect of flow-through amounts	-	54,000
Total income tax recovery	(100,583)	(14,430)

Expressed in Canadian dollars

12) INCOME TAXES *(continued)*

The significant components of the Company's deferred income tax liabilities are as follows:

	2024 $	2023 $
Deferred income tax liabilities:		
Exploration and evaluation assets carrying amounts in excess of tax pools	(9,565,682)	(9,565,582)
Non-capital loss carry forwards and share issue costs	3,640,651	3,326,811
Investments	23,925	(34,865)
Capital loss carry forwards	1,433	1,433
Net deferred tax liabilities	(5,899,673)	(6,272,203)

Subject to certain restrictions, the Company has exploration and evaluation expenditures at December 31, 2024 of approximately $1,699,489 (2023 - $1,530,082) available to reduce taxable income in future years. The Company also has non-capital losses available for possible deduction against future years' taxable income of approximately $3,595,000 (2023 - $3,237,000). The Company has not recognized any future benefit for these tax losses, credits and resource deductions, as it is not considered likely that they will be utilized. If unused, these non-capital losses will expire as follows:

	$
2026	243,000
2027	173,000
2028	133,000
2029	79,000
2030	141,000
2031	212,000
2032	154,000
2033	121,000
2034	113,000
2035	70,000
2036	73,000
2037	112,000
2038	110,000
2039	127,000
2040	111,000
2041	406,000
2042	507,000
2043	352,000
2044	358,000
	3,595,000

Expressed in Canadian dollars

13) LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

Pursuant to the private placement financing which closed on May 29, 2023, the Company issued 3,333,333 units on a flow-through basis for gross proceeds of $200,000 and recognized a flow-through liability of $33,333.

As at December 31, 2023, the Company had spent all of the $200,000 flow-through funds and recognized a flow-through recovery of $33,333 for the year ended December 31, 2023.

14) SUPPLEMENTARY CASH FLOW INFORMATION

	2024	2023
	$	$
Exploration and evaluation assets included in accounts payable and accrued liabilities	-	13,543

15) SUBSEQUENT EVENTS

The Company staked 9 contiguous mineral tenures totalling 15,423 hectares in the Bear Lake Corridor of British Columbia, 4 kilometres north of its SAY Property, and named the grouping the JJB Property. The Company staked a further 9 mineral tenures enlarging its SAY Property to 26,202 hectares.

On April 16, 2025, the Company entered into two 80% earn-in agreements with Freeport-McMoRan (“Freeport”) for its PIL and ATTY Properties (the “Properties”) for consideration of $4,100,000 cash payments and $35,000,000 of exploration expenditures over a 6-year term. The earn-in in respect of each of the Properties may be exercised separately. Following the completion of the earn-in on either of the Properties, Freeport and the Company will respectively hold interests of 80% and 20% in such property, and a joint venture will be formed for further exploration and development. In the event that a party does not fund their portion of further joint venture programs, their interests in the joint venture will dilute. Any party that dilutes to below a 10% interest in the joint venture will exchange its joint venture interest for an NSR of 1.0% on the applicable property, which is subject to a 0.5% buyback for USD $2,000,000.

The PIL & ATTY properties are each subject to a 3.0% NSR held by a private company, the outstanding voting shares of which are held by two Company directors. The Company has a current right to buy back ½ of the NSR (1.5%) on each property for an aggregate payment of $2,000,000 and $1,500,000, respectively. The Company and the private company have agreed that upon the exercise of the earn-in in respect of each property by Freeport, the buy-back right will be amended to provide for a 2.0% buyback for each property, in consideration for an increased buy-back payment to be sole-funded by Freeport without joint venture dilution to the Company, and will be divided equally between the Company and the private company.