WEST RED LAKE

GOLD MINES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 13 MONTHS ENDED DECEMBER 31, 2024 AND 12 MONTHS ENDED NOVEMBER 30, 2023

(Expressed In Canadian Dollars)

Independent Auditor's Report

To the Shareholders of West Red Lake Gold Mines Ltd.:

Opinion

We have audited the consolidated financial statements of West Red Lake Gold Mines Ltd. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and November 30, 2023, and the consolidated statements of loss and other comprehensive loss, changes in equity and cash flows for the 13 months ended December 31, 2024 and 12 months ended November 30, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and November 30, 2023, and its consolidated financial performance and its consolidated cash flows for the 13 months ended December 31, 2024 and 12 months ended November 30, 2023 in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 audits 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.

Key Audit Matters

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

Valuation of gold-linked notes

Key Audit Matter Description

We draw attention to Notes 2 and 8 to the consolidated financial statements.

During the 13 months ended December 31, 2024, the Company issued units containing gold-linked notes and common share purchase warrants. Assessing the valuation of these gold-linked notes is complex and requires judgment and estimation on the part of management.

Audit procedures performed to evaluate the reasonableness of the estimates and assumptions used required a high degree of auditor judgment and an increased extent of audit effort, as well as the use of valuation specialists.

Audit Response

We responded to this matter by performing audit procedures relating to the issuance of the gold-linked notes. Our audit work in relation to this included, but was not restricted to, the following:

- Obtaining management's memo assessing the appropriate accounting treatment for the gold-linked notes and related warrants;
- Assessing the appropriateness of the accounting treatment of the gold-linked notes;
- Obtaining valuations reports from management's independent valuations specialists;
- Engaging internal valuations specialists to assess the valuation;
- Obtaining comfort over key assumptions and inputs used in the valuation;
- Reviewing management's working paper, agreeing to supporting documents (including contracts), performing recalculations, and verifying receipt of funds; and
- Assessing the related disclosures in the notes to the consolidated financial statements.

Other Information

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Vancouver, British Columbia

MNP LLP

April 23, 2025

Chartered Professional Accountants

West Red Lake Gold Mines Ltd.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

		As at December 31, 2024		As at November 30, 2023
Assets				
Current assets				
Cash and cash equivalents	$	**36,880,004**	$	16,308,858
Sales tax receivable		**1,431,486**		1,027,689
Materials and supplies		**1,279,690**		350,026
Advances and prepaid expenses		**1,194,520**		1,502,794
Deferred transaction costs (Note 9)		**750,849**		-
		41,536,549		19,189,367
Restricted cash		**169,913**		169,913
Advances for plant and equipment		**247,162**		-
Plant and equipment (Note 5)		**76,670,958**		60,395,568
Mineral properties (Note 7)		**18,267,912**		18,257,912
Total assets	**$**	**136,892,494**	$	98,012,760
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	**24,664,809**	$	5,262,083
Flow-through premium (Note 12)		**615,106**		-
Lease liabilities (Note 6)		**1,400,209**		288,209
Promissory note (Note 10)		**-**		7,515,048
		26,680,124		13,065,340
Lease liabilities (Note 6)		**2,434,797**		-
Gold-linked notes (Note 8)		**37,572,512**		-
Credit facility (Note 9)		**18,913,101**		-
Provision for reclamation and closure (Note 11)		**21,829,071**		18,913,016
Total liabilities	**$**	**107,429,605**	**$**	31,978,356
Equity				
Share capital (Note 12)	$	**177,677,162**	$	110,845,911
Reserves		**19,088,927**		6,810,651
Accumulated other comprehensive income		**108,989**		-
Accumulated deficit		**(167,412,189)**		(51,622,158)
Total equity		**29,462,889**		66,034,404
Total liabilities and equity	**$**	**136,892,494**	$	98,012,760

Commitments and contingencies (Note 18)
Subsequent events (Note 22)

Approved and authorized for issuance on behalf of the Board of Directors:

"Thomas W. Meredith" Director   “Susan Neale” Director

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

West Red Lake Gold Mines Ltd.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars, except share information)

	13 Months Ended December 31, 2024	12 Months ended November 30, 2023
Expenses		
Exploration and evaluation expenses (Note 7)	**$84,701,695**	$22,810,001
Marketing, travel and investor relations	**5,263,138**	2,708,425
Salaries, benefits and directors' fees (Note 13)	**3,996,081**	854,530
Consulting (Note 13)	**1,502,332**	1,198,855
Professional fees	**1,481,038**	428,288
Office and administration	**403,945**	380,080
Regulatory and filing	**175,546**	148,495
Share-based compensation (Notes 12 and 13)	**5,442,832**	3,622,876
Depreciation (Note 5)	**1,682,723**	250,402
	(104,649,330)	(32,401,952)
Finance expense (Note 20)	**(6,655,944)**	(268,980)
Change in fair value of gold-linked notes (Note 8)	**(6,489,537)**	-
Loss on debt conversion (Note 10)	**(126,459)**	-
Finance income	**1,309,256**	475,450
Other income (Note 21)	**2,919,775**	-
Foreign exchange loss	**(2,097,792)**	(311,157)
Loss	**$(115,790,031)**	$(32,506,639)
Other comprehensive income (Note 8)	**108,989**	-
Loss and comprehensive loss	**$(115,681,042)**	$(32,506,639)
Basic and diluted loss per share	**$(0.45)**	$(0.30)
Weighted average number of common shares outstanding - basic and diluted	**258,972,224**	108,640,544

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

West Red Lake Gold Mines Ltd.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars, except share information)

	Share Capital					
	Shares issued	**Amount**	**Reserves**	**Accumulated OCI**	**Accumulated Deficit**	**Total Equity**
At November 30, 2022	**14,868,066**	**$20,705,484**	**$198,059**	**$-**	**$(19,115,519)**	**$1,788,024**
Asset acquisition (Note 4)	79,919,127	43,157,557	1,802,179	-	-	44,959,736
Acquisition of JV interest (Note 4)	3,827,250	1,185,648	-	-	-	1,185,648
Private placement (net of costs) (Note 12)	100,429,000	35,151,485	2,144,487	-	-	37,295,972
Private placement flow-through (net of costs) (Note 12)	11,714,286	7,301,287	-	-	-	7,301,287
Settlement of promissory note (Note 10)	2,400,000	1,680,000	-	-	-	1,680,000
Shares issued on exercise of warrants (Note 12)	2,000,000	1,650,942	(950,942)	-	-	700,000
Shares issued on exercise of share options (Note 12)	15,000	13,508	(6,008)	-	-	7,500
Share-based compensation (Note 12)	-	-	3,622,876	-	-	3,622,876
Loss and comprehensive loss	-	-	-	-	(32,506,639)	(32,506,639)
November 30, 2023	**215,172,729**	**$110,845,911**	**$6,810,651**	**$-**	**$(51,622,158)**	**$66,034,404**

At November 30, 2023	**215,172,729**	**$110,845,911**	**$6,810,651**	**$-**	**$(51,622,158)**	**$66,034,404**
May 2024 public offering (net of costs) (Note 12)	31,944,700	20,904,529	-	-	-	20,904,529
May 2024 flow-through public offering (net of costs) (Note 12)	11,236,000	7,178,769	-	-	-	7,178,769
October 2024 public offering (net of costs) (Note 12)	41,666,800	26,402,488	-	-	-	26,402,488
Settlement of promissory note (Note 10)	6,900,000	3,588,000	-	-	-	3,588,000
Settlement of debt (Note 12)	50,000	30,000	-	-	-	30,000
Shares issued on exercise of warrants (Note 12)	10,315,911	7,492,061	(1,328,867)	-	-	6,163,194
Shares issued on exercise of share options (Note 12)	851,200	778,098	(303,419)	-	-	474,679
Shares issued on exercise of RSUs and DSUs (Note 12)	740,332	457,306	(457,306)	-	-	-
Warrants issued - gold-linked notes (Note 8)	-	-	7,267,503	-	-	7,267,503
Warrants issued - credit facility (Note 9)	-	-	1,657,533	-	-	1,657,533
Share-based compensation (Note 12)	-	-	5,442,832	-	-	5,442,832
Loss and comprehensive loss	-	-	-	108,989	(115,790,031)	(115,681,042)
At December 31, 2024	**318,877,672**	**$177,677,162**	**$19,088,927**	**$108,989**	**$(167,412,189)**	**$29,462,889**

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

West Red Lake Gold Mines Ltd.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	13 Months Ended December 31, 2024	12 Months Ended November 30, 2023
Operating activities		
Loss	$ **(115,790,031)**	$ (32,506,639)
Adjust for:		
Share-based compensation (Notes 12 and 13)	**5,442,832**	3,622,876
Financing costs - gold-linked notes (Note 8)	**2,274,186**	-
Change in fair value of gold-linked notes (Note 8)	**6,489,537**	-
Interest expense - gold-linked notes (Note 8)	**3,482,074**	-
Amortization of flow-through premium (Note 21)	**(1,295,014)**	-
Loss on debt conversion (Note 10)	**126,459**	-
Reclamation accretion expense (Note 11)	**661,198**	262,852
Unrealized foreign exchange loss	**2,087,097**	241,614
Depreciation (Note 5)	**1,682,723**	250,402
Interest expense on lease liabilities (Note 6)	**238,486**	6,128
Changes in non-cash working capital items:		
Sales tax receivable	**(403,797)**	(537,410)
Advances and prepaid expenses	**302,114**	412,143
Inventory	**(929,664)**	(350,026)
Accounts payable and accrued liabilities	**15,039,635**	2,452,502
	(80,592,165)	(26,145,558)
Investing activities		
Acquisition of RLG, net of cash acquired (Note 4)	**-**	3,322,299
Purchase of plant and equipment (Note 6)	**(7,163,112)**	(190,847)
Acquisition of JV interest	**-**	(258,361)
Acquisition of Madsen Mine (Note 4)	**-**	(7,255,770)
Royalties (Note 7)	**(10,000)**	(10,000)
	(7,173,112)	(4,392,679)
Financing activities		
Proceeds on issuance of common shares (Note 12)	**51,750,276**	47,680,150
Proceeds on issuance of flow-through shares (Note 12)	**10,000,040**	-
Proceeds from exercise of warrants (Note 12)	**6,163,194**	700,000
Proceeds from exercise of stock options (Note 12)	**474,679**	7,500
Share issuance costs (Note 12)	**(5,354,411)**	(3,082,891)
Gold-linked notes issued (Note 8)	**32,945,773**	-
Gold-linked notes financing costs (Note 8)	**(2,864,657)**	-
Gold-linked notes interest paid (Note 8)	**(3,502,779)**	-
Credit facility (Note 9)	**21,583,500**	-
Credit facility financing costs (Note 9)	**(879,604)**	-
Payment on lease liabilities (Note 6)	**(1,970,013)**	(98,894)
	108,345,998	45,205,865
Change in cash and cash equivalents	**20,580,721**	14,667,628
Foreign exchange on cash and cash equivalents	**(9,575)**	-
Cash and cash equivalents, beginning	**16,308,858**	1,641,230
Cash and cash equivalents, end	$ **36,880,004**	$ 16,308,858

Supplemental cash flow information in Note 17

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

1. NATURE OF OPERATIONS

West Red Lake Gold Mines Ltd. (the "Company" or "WRLG") is an exploration and development stage entity engaged in the acquisition, exploration and evaluation and development of gold properties in the Red Lake Gold District of Northwestern Ontario. The Company was incorporated under the Business Corporations Act (Ontario) as New Dolly Varden Minerals Inc., and continued under the Business Corporations Act (British Columbia) on November 27, 2017, as DLV Resources Ltd. The Company changed its name to West Red Lake Gold Mines Ltd. on December 29, 2022, and is listed on the TSX Venture Exchange ("TSXV") under the symbol 'WRLG'. The Company's registered and records office is 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1B3.

On December 30, 2022, the Company acquired 100% of the issued and outstanding common shares of West Red Lake Gold Mines Inc. ("RLG") in exchange for common shares of the Company ("the RLG Transaction") (Note 5). As a result, the Company owns an interest in mineral titles and claims located in the Red Lake Gold District of Northwestern Ontario henceforth referred to as the Rowan Property. On June 16, 2023, pursuant to a definitive share purchase agreement (the "SPA") with Pure Gold Mining Inc. ("Pure Gold") and a fund managed by Sprott Resource Lending Corp. ("Sprott"), the Company acquired the Madsen gold mine and associated land package (the "Madsen Mine" or "Madsen"), in the Red Lake Gold District, through the acquisition of all of the issued and outstanding common shares of Pure Gold (Note 4). The year end of the Company was changed to December 31, 2024.

The business of exploring for minerals and development of projects involves a high degree of risk. The Company is an exploration and development company and is subject to risks and challenges that are similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital; development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permits or, alternatively the Company's ability to dispose of its exploration and evaluation assets on an advantageous basis. The Company does not currently have a recurring source of revenue and will require additional financing as the Company advances development and execution of its business plans to restart the Madsen mine. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements for the 13 months ended December 31, 2024, including comparatives, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS"). The consolidated financial statements were authorized for issue by the Board of Directors on April 23, 2025.

Basis of Presentation

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, and using the accrual basis of accounting except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts ("$"), except as otherwise noted. These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the 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 in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in a material adjustment to the carrying amount of the asset or liability affected in future periods. Where the fair value of financial assets and financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

(a) Asset Acquisitions

During the 12 months ended November 30, 2023, the Company acquired RLG (Note 4). The determination of an acquirer is an area of significant judgement and requires consideration of pertinent facts and circumstances. The Company was determined to be the acquirer and the continuing entity for reporting purposes with respect to the asset purchase of RLG. The facts and circumstances regarding the Company's assessment included but were not limited to, the relative voting rights in the combined entity after the transaction, the existence of a large minority voting interest in the combined entity, the composition of the governing board of the combined entity, including the ability to nominate three of five board members, the composition of the senior management of the combined entity, and which entity maintained power, exposure or rights, to variable returns, and which entity had the ability to use its power over the other entity to affect it's returns.

In determining relative voting rights, the Company concluded the parties who participated in the flow-through financing as disclosed in Note 4 were de facto agents of the Company as those parties were acting on behalf of the Company. The determination of whether parties are acting as de facto agents requires judgement, considering not only the nature of the relationship but also how those parties interact with each other and the investor.

The process for determining whether the acquisition was an asset purchase versus a business acquisition was performed and primary consideration was given to the exploration stage of mineral properties, and thus there were no substantive processes in place to create outputs and therefore RLG did not meet the requirements to be considered a business. Shares issued for the acquisition were valued on the issue date and the amount of net assets acquired in excess of the consideration paid was attributed to the mineral properties acquired.

During the 12 months ended November 30, 2023, the Company acquired Madsen (Note 4). The process for determining whether the acquisition was an asset purchase versus a business acquisition was performed and primary consideration was given to the assets and processes acquired and if there was a substantive process in place to create outputs. It was concluded that the Madsen acquisition did not meet the requirements to be considered a business. Shares and other consideration issued for the acquisition were valued on the issue date to determine the total consideration. After any identifiable assets or liabilities initially required to be measured at any amount other than cost were recorded in accordance with the applicable standard, the residual consideration was allocated to the remaining identifiable assets based on their relative fair values at the date of acquisition.

(b) Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment as it relies on the Company's estimation of future cash flows for the 12 month period from the financial statement date, and the availability of funds to meet those cash flow requirements. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and expenditures that are believed to be reasonable under the circumstances.

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is as follows:

(a) Impairment of Long-lived Assets

At the end of each financial reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss or reversal of previous impairment. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets properties.

(b) Share-based Compensation and Warrant Valuations

The Company uses the Black-Scholes option pricing model to determine the fair value of options and warrants in order to calculate share-based compensation expense and the fair value of warrants. The Black-Scholes model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. The Company is also required to estimate the future forfeiture rate in its calculation of share-based compensation expense.

(c) Provision for Reclamation and Closure

The Company's provision for reclamation and closure obligations represent management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company.

(d) Gold-Linked Notes

The gold-linked notes are recorded at fair value through profit or loss ("FVTPL"). Fair values of the gold-linked notes have been determined based on a valuation methodology that captures all the features in a set of partial differential equations that are then solved numerically to arrive at the value of these financial instruments. The fair value estimates are based on numerous assumptions including, but not limited to, commodity prices, time value, volatility factors, risk-free rates and credit spreads. The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's financial position and results of operations.

(e) Determination of Technical Feasibility and Commercial Viability

The determination of the technical feasibility and commercial viability of the Madsen Mine requires judgment. The Company considered the positive National Instrument ("'NI") 43-101 compliant Feasibility Study, the results of optimization studies and technical evaluations carried out to mitigate project risks, while maintaining all necessary permits and concluded that technical feasibility and commercial viability has been achieved. Accordingly, effective January 1, 2025, the Company will commence capitalization of all directs costs related to the development of Madsen and will reclassify capitalized costs from mineral properties to plant and equipment and test for impairment. As at December 31, 2024, the Company was still in the exploration stage.

(f) Income Taxes

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements:

(a) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange in effect at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Translation gains or losses are recognized in the consolidated statements of loss and comprehensive loss.

(b) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries West Red Lake Gold Mines (Ontario) Ltd. and Red Lake Madsen Mine Ltd. The financial results of the subsidiaries are included in these consolidated financial statements from the date of acquisition. Intercompany balances and transactions are eliminated on consolidation.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments with original maturities of three months or less.

(d) Materials and supplies

Materials and supplies consist of parts and supplies and are recorded at the lower of cost and net realizable value determined on a weighted average cost.

(e) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing a part of an item in the carrying amount of equipment is recognized when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

The carrying amounts of plant and equipment (including initial and subsequent capital expenditures) are amortized to their estimated residual value over the estimated useful lives of the specific assets concerned. Depreciation is calculated on each significant component based on the following:

- Mobile equipment	3-7 year straight-line basis
- Processing equipment	Units of production

Depreciation methods, useful lives, and residual values are reviewed at least annually and adjusted if appropriate.

(iv) Disposal

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of the item of equipment and are recognized in the consolidated statements of loss and comprehensive loss.

(f) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset. This may be specific, explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Where the Company is expected to exercise a purchase option the right-of-use asset is depreciated using the straight-line method over the useful life of the asset, otherwise it is depreciated to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of the plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statements of loss and comprehensive loss if the carrying amount of the right-of-use asset has been reduced to zero.

(g) Exploration and evaluation expenditures

The Company's policy is to expense exploration and evaluation expenditures as incurred.

(h) Mineral properties

Mineral properties include the costs to acquire exploration and evaluation assets. They are subsequently measured at cost less impairment losses. Cost includes expenditures that are directly attributable to the acquisition of mineral licenses.

(i) Impairment of long-lived assets

An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the CGU to which the asset belongs.

A previously recognized impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

(j) Provision for reclamation and closure

Reclamation and closure provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation and discount rates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted at the market discount rate. To the extent the carrying value of the related plant and equipment is not increased above its recoverable amount, changes to reclamation and closure obligations are recorded with a corresponding change to the carrying amount of the related plant and equipment.

Over time the carrying value of the liability is adjusted for the changes in the present value based on the current market discount rates and liability risks. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Changes in reclamation estimates are accounted for prospectively as a change in the corresponding capitalized cost.

(k) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves. The fair value of warrants is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the warrants were granted.

(l) Share-based compensation

(i) Stock option plan

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity reserves. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest.

At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the equity instruments granted, otherwise share-based compensation awards to non-employees are measured at the fair value of goods or services received. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

(ii) Restricted share unit and deferred share unit plans

The Company's restricted share unit and deferred share unit plans allows Company employees, directors, officers and consultants to acquire shares of the Company. The fair value of restricted share units and deferred share units are recognized as share-based compensation expense with a corresponding increase in equity reserves. Fair value is measured at grant date and recognized using the straight- line method over the period during which the options vest.

(m) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors paid for the flow-through feature, which is recognized as a liability due to the obligation to incur eligible expenditures and ii) share capital. The flow-through premium liability is amortized through the statement of loss and comprehensive loss as the underlying expenditures are incurred. Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. If applicable, this tax is classified as an administration expense. The Company has not recorded any Part XII.6 tax.

(n) Loss per share

Basic loss per share is calculated by dividing the loss attributable to the Company's common shareholders for the year by the weighted average number of common shares outstanding during the year.

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and other similar instruments. Under this method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period. Shares to be issued on existing stock options, restricted share units, deferred share units, warrants and the promissory note have not been included in the computation of diluted loss per share as to do so would be anti-dilutive.

(o) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the consolidated statements of loss except to the extent that it relates to items recognized directly in equity or in other comprehensive loss. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the Company. 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.

(p) Financial instruments

(i) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them as FVTPL. The Company has the following financial instruments, which are classified under IFRS 9 in the table below:

Financial assets/liabilities	Classification
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note	Amortized cost
Gold-linked notes	FVTPL
Credit facility	Amortized cost

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

(iii) Impairment of financial assets at amortized cost

Under IFRS 9, the Company recognizes a loss allowance using the expected credit loss model on financial assets that are measured at amortized cost

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

(iv) Derecognition

Financial assets

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

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss.

(q) IFRS PRONOUNCEMENTS

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the IASB issued targeted amendments to IAS 12 – Income Taxes to specify how companies account for deferred tax on transactions such as leases and decommissioning obligations. In specific circumstances, companies are exempt from recognizing deferred tax when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations transactions for which companies recognize both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognize deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company adopted these amendments in the 13 months ended December 31,

2024. These amendments did not have a material effect on the Company's consolidated financial statements.

Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements and the IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Guidance and illustrative examples are added in the Practice Statement to assist in the application of materiality concepts when making judgments about accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted. Prospective application is required on adoption. The Company adopted these amendments and it did not have a material effect on the Company's consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled Non-current liabilities with covenants. These amendments seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. The Company does not expect these amendments to have a material effect on the Company's financial statements. The Company does not intend to apply these amendments before the effective date.

Amendment to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity. These amendments aimed to ensure that nature-dependent electricity contracts, where contractual features can expose a company to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, are appropriately reflected in the financial statements. The amendments include clarifying the application of the "own use" requirements to these contracts in assessing whether derivative accounting is required, permitting hedge accounting if these contracts are used as hedging instruments and requiring new disclosures that discuss the effect of these contracts on a company's financial performance and cash flows. The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The clarifications regarding the "own use" requirements are applied retrospectively, but the guidance permitting hedge accounting is applied prospectively to new hedging relationships designated on or after the date of initial application. The Company is currently assessing the effect of these amendments on the consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7. These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs, and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. The Company is currently assessing the effect of these amendments on the consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three main categories of operating, investing and financing, and by specifying certain defined totals and subtotals. An entity may use certain subtotals of income and expenses in public communications outside the financial statements to communicate management's view of an aspect of the financial performance of the entity as a whole to users, and these subtotals are not specifically required by IFRS Accounting Standards. IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation that apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on the consolidated financial statements.

4. ASSET ACQUISITIONS

RLG Acquisition

On August 16, 2022, the Company entered into an arm's length binding letter agreement (the "LOI") with RLG, a Toronto-based mineral exploration company focused on gold exploration and development in the Red Lake Gold District of Northwestern Ontario, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of RLG in consideration for the issuance of 0.1215 (the "Exchange Ratio") of a WRLG common share for each RLG common share acquired. Completion of the RLG Transaction was subject to RLG completing a flow-through financing to raise gross proceeds of up to $4,600,000 (the "Financing"). On August 26, 2022, the LOI was amended to reduce the Financing to a minimum of $4,000,000. The Financing closed with gross proceeds of $4,100,000 on August 26, 2022, in which WRLG sourced the subscribers and managed the process of the Financing and the subsequent disbursements. The LOI was subsequently replaced by an amalgamation agreement entered into on September 15, 2022.

On December 30, 2022, the RLG Transaction was completed and RLG amalgamated with 1000310732 Ontario Ltd., a wholly owned subsidiary of WRLG, to form a new amalgamated company called 'West Red Lake Gold Mines Inc.', which became a wholly owned subsidiary of WRLG, and subsequently changed its name to West Red Lake Gold Mines (Ontario) Ltd. on February 20, 2023.

Pursuant to the RLG Transaction, the Company issued 24,964,548 common shares to former RLG shareholders, and 10,487,368 common shares to subscribers of the Financing (of which a major shareholder of the Company participated). Holders of convertible securities of RLG received convertible securities of the Company as adjusted by the Exchange Ratio, resulting in the issuance of replacement options of the Company to acquire 978,075 common shares ("Replacement Options") and replacement warrants of the Company to acquire 538,603 common shares ("Replacement Warrants"). The Company also issued an aggregate of 1,700,000 common shares as finders fee to certain third parties in connection with the RLG Transaction. The Company has been identified as the acquirer and the continuing entity for reporting purposes and RLG the entity being acquired. The consideration paid on the acquisition of RLG has been accounted for as assets acquired and recorded in the accounts of the Company at its fair value determined as follows:

(Expressed in Canadian dollars, except as otherwise stated)

		December 30, 2022
Consideration		
35,451,916 common shares issued at a price of $0.42 per share	$	14,889,805
978,075 Replacement Options		38,930
538,603 Replacement Warrants		24,614
1,700,000 common shares issued as finders fees at a price of $0.42 per share		714,000
Transaction costs		260,731
	$	**15,928,080**

Identifiable net assets		
Cash and cash equivalents	$	3,410,014
Sales tax receivable		142,406
Prepaid expenses and deposits		22,809
Mineral properties		12,760,092
Accounts payable and accrued liabilities		(407,241)
	$	**15,928,080**

The shares issued were fair valued using the share price (converted based on the Exchange Ratio) obtained from a private placement in RLG that closed just prior to the change of control versus quoted market price as the WRLG shares were thinly traded or not active.

The Replacement Options were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.83 - $1.65; ii) expected share price volatility of 75%; iii) risk-free interest rate of 3.55% - 4.07%; iv) expected life of 0.08 - 4.02 years; and v) no dividend yield. The Replacement Warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.83 ii) expected share price volatility of 75%; iii) risk-free interest rate of 4.07%; iv) expected life of 1 year; and v) no dividend yield.

Madsen Acquisition

On May 17, 2023, the Company announced that it had entered into the SPA with Pure Gold and a fund managed by Sprott to acquire the Madsen Mine, in the Red Lake Gold District of Northwestern Ontario, through the acquisition of all of the issued and outstanding common shares of Pure Gold (the "Madsen Acquisition").

On June 16, 2023, the Company completed the Madsen Acquisition, pursuant to the Approval and Reverse Vesting Order (the "Order") granted by the British Columbia Supreme Court in Pure Gold's proceedings under the *Companies Creditors Arrangement Act*. Pursuant to the terms of the Order and the SPA the Company paid $6,500,000 in cash, granted a 1% secured net smelter royalty on the Madsen Mine, issued a promissory note in the amount of US$6,783,932 (Note 10) to a fund managed by Sprott, and issued 32,566,174 common shares and 8,164,503 common shares on June 16, 2023, and June 29, 2023, respectively to a fund managed by Sprott.

In connection with the Madsen Acquisition, the Company paid finders fees of $325,000 in cash and issued 2,036,534 common shares. A further 3,750,000 warrants were issued to certain parties in consideration for guarantees of the initial payments required pursuant to the Madsen Acquisition, exercisable at $0.42 per share until June 16, 2028 (the "Guarantee Warrants").

(Expressed in Canadian dollars, except as otherwise stated)

On completion of the Madsen Acquisition Pure Gold became a wholly subsidiary of WRLG and changed its name to Red Lake Madsen Mine Ltd. on June 27, 2023. The consideration paid on the acquisition of the Madsen Mine has been accounted for as assets acquired and recorded in the accounts of the Company at its fair value determined as follows:

		June 16, 2023
Consideration		
Cash		6,500,000
Promissory note – US$6,783,282		8,953,435
32,566,174 and 8,164,503 common shares issued at a price of $0.65 and $0.62 per share, respectively		26,230,005
3,750,000 Guarantee warrants		1,738,635
2,036,534 common shares issued for advisory fees at a price of $0.65 per share		1,323,747
Transaction costs		1,189,268
	$	**45,935,090**
Identifiable net assets		
Cash and cash equivalents	$	433,498
Amounts receivable and prepaid expenses		1,892,128
Sales tax receivable		334,123
Plant and equipment		60,645,898
Mineral properties		4,043,811
Restricted cash		169,913
Accounts payable and accrued liabilities		(2,362,367)
Provision for reclamation and closure		(19,221,914)
	$	**45,935,090**

The granting of the 1% net smelter royalty was ascribed a fair value of $nil as the obligation is considered contingent as it does not exist independently of the Company's future actions.

The Guarantee Warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of $0.42; ii) expected share price volatility of 75%; iii) risk-free interest rate of 3.52% iv) expected life of 5 years; and v) no dividend yield.

(Expressed in Canadian dollars, except as otherwise stated)

5. PLANT AND EQUIPMENT

		Plant and Processing Equipment		Mobile Equipment		Total
Cost						
At November 30, 2022	$	-	$	-	$	-
Additions on Madsen Acquisition (Note 4)		53,829,252		6,816,646		60,645,898
Additions		-		571,822		571,822
Change in provision for reclamation and closure (Note 11)		(571,750)		-		(571,750)
Balance as at November 30, 2023		53,257,502		7,388,468		60,645,970
Additions		9,320,130		6,383,126		15,703,256
Change in provision for reclamation and closure (Note 11)		2,254,857		-		2,254,857
Balance as at December 31, 2024	**$**	**64,832,489**	**$**	**13,771,594**	**$**	**78,604,083**
Accumulated Depreciation						
At November 30, 2022	$	-	$	-	$	-
Depreciation		-		(250,402)		(250,402)
Balance as at November 30, 2023		-		(250,402)		(250,402)
Depreciation		-		(1,682,723)		(1,682,723)
Balance as at December 31, 2024	**$**	**-**	**$**	**(1,933,125)**	**$**	**(1,933,125)**
Net book value at November 30, 2023	$	53,257,502	$	7,138,066	$	60,395,568
Net book value at December 31, 2024	**$**	**64,832,489**	**$**	**11,838,469**	**$**	**76,670,958**

6. LEASES

(a) Right-of-use assets

		December 31, 2024		November 30, 2023
Right-of-use assets, beginning of period	**$**	**367,369**	$	-
Additions (Note 5)		**4,823,530**		380,975
Depreciation		**(570,276)**		(13,606)
Balance, end of period	**$**	**4,620,623**	$	367,369

The right-of-use assets recognized by the Company are all included in mobile equipment (Note 5).

(b) Lease liabilities

		December 31, 2024		November 30, 2023
Lease liabilities, beginning of period	**$**	**288,209**	$	-
Additions		**5,278,324**		380,975
Interest expense on lease liabilities		**238,486**		6,128
Payment of lease liabilities		**(1,970,013)**		(98,894)
Balance, end of period	$	**3,835,006**	$	288,209
Current portion		**1,400,209**		288,209
Non-current portion		**2,434,797**		-
Balance, end of period	**$**	**3,835,006**	$	288,209

(Expressed in Canadian dollars, except as otherwise stated)

The undiscounted values of the lease liabilities as at December 31, 2024 was $4,378,011 (November 30, 2023 - $296,680)

7. MINERAL PROPERTIES

	Rowan	Madsen	Total
Balance, November 30, 2023	$ -	$ -	$ -
Asset acquisitions (Note 4)	12,760,092	4,043,811	16,803,903
Acquisition of joint venture interest	1,444,009	-	1,444,009
Royalty payments	10,000	-	10,000
Balance, November 30, 2023	14,214,101	4,043,811	18,257,912
Royalty payments	10,000	-	10,000
Balance, December 31, 2024	**$ 14,224,101**	**$ 4,043,811**	**$ 18,267,912**

Details of the exploration and evaluation expenses that have been incurred on the Rowan and Madsen properties during the 13 months ended December 31, 2024, are as follows:

	Rowan	Madsen	Total
Labour and wages	$ 106,832	$ 22,021,538	$ 22,128,370
Contractors and consulting	808,310	19,925,094	20,733,404
Drilling	25,031	10,394,946	10,419,977
Material and consumables	-	18,810,285	18,810,285
Equipment rentals	89,049	3,202,219	3,291,268
Lab analysis	538,998	3,165,600	3,704,598
Site admin, support, camp, logistics and other	290,917	5,322,876	5,613,793
For the 13 months ended December 31, 2024	**$ 1,859,137**	**$ 82,842,558**	**$ 84,701,695**

Details of the exploration and evaluation expenses that have been incurred on the Rowan and Madsen properties during the 12 months ended November 30, 2023, are as follows:

	Rowan	Madsen	Total
Labour, consulting and wages	$ 2,272,692	$ 5,980,154	$ 8,252,846
Contractors	-	1,352,256	1,352,256
Drilling	2,613,111	1,178,084	3,791,195
Material and consumables	-	4,695,052	4,695,052
Equipment rentals	-	532,872	532,872
Lab analysis	1,240,155	253,453	1,493,608
Site admin, support, camp and logistics	1,240,523	1,451,649	2,692,172
For the 12 months ended November 30, 2023	**$ 7,366,481**	**$ 15,443,520**	**$ 22,810,001**

Rowan Property

On December 30, 2022, the Company completed the acquisition of the Rowan Property pursuant to the RLG Transaction (Note 4) subject to a 28% interest in certain Rowan Property claims which were acquired as discussed below. The 3,100 hectare Rowan Property consists of three contiguous properties located in Red Lake Mining Division, District of Kenora (Patricia Portion), Northwestern Ontario and hosts three past producing mines - Rowan Mine, Mount Jamie Mine, and Red Summit Mine.

On February 23, 2023, the Company entered into a joint venture interest purchase agreement with Evolution Mining Ltd. ("Evolution Mining") to purchase Evolution Mining's 28% interest in certain claims on the Rowan Property, increasing the Company's ownership of those claims to 100% (the "Purchase Agreement"). On closing of the Purchase Agreement, the Company paid $250,000 and issued 3,645,000 common shares with a value of $1,129,150 to Evolution Mining on March 8, 2023, and granted a 2.5% NSR to Evolution Mining on certain claims on the Rowan Property. The Company also issued an aggregate of 182,250 success fee common shares with a value of $56,498 to certain third parties in connection with the Purchase Agreement and incurred transaction costs of $8,361.

The Rowan Property is comprised of 146 claims – 58 patented claims, 20 leased, 65 staked crown and 3 under license of occupation.

Certain claims within the property are subject to a NSR ranging from 2% to 3%, some of which can be repurchased, with an annual advance royalty of $10,000 plus a one-time payment of $500,000 due on the Company completing a bankable feasibility study.

Madsen Property

On June 16, 2023, the Company completed the acquisition of the Madsen Mine pursuant to the Madsen Acquisition (Note 4). The Madsen Mine is located in the Red Lake gold camp of Northwestern Ontario and is comprised of a contiguous group of 241 mining leases, mining patents and unpatented mining claims covering an aggregate area of 4,648 hectares (46.5 km^2). The Madsen Mine is subject to a 1% Net Smelter Royalty ("NSR").

8. GOLD-LINKED NOTES

During the 13 months ended December 31, 2024, the Company closed a gold-linked notes and warrants offering ("the Offering"). Each unit (the "Unit") of the Offering contains 12% senior unsecured gold-linked notes (the "Notes") in the aggregate principal amount of US$1,000 and 710 common share purchase warrants (the "Warrants"). Each whole Warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.95 per share until March 19, 2029. Interest on the Notes will be payable quarterly. The Company issued Notes in an aggregate principal amount of US$27,165,631 ($36,873,710) and issued 19,287,598 Warrants. The issuance of the Offering closed as described below, under two tranches and the conversion of the Sprott Promissory Notes which had identical terms.

Commencing January 1, 2026, the Company will place gold in escrow on a quarterly basis into a gold trust account. The aggregate principal amount of Notes outstanding will be paid by the Company on a quarterly basis, commencing on March 31, 2026, and with the final payment on December 31, 2029. The Notes will be paid based on a guaranteed floor price of US$1,800 per ounce of gold (the "Floor Price"). Any excess proceeds by which the spot gold price exceeds the Floor Price will be paid to investors as a premium.

Tranche 1 Issuance

On March 19, 2024, the Company closed the issuance of 22,340 Units pursuant to the Offering at a price of US$1,000 per Unit. The gross proceeds of the Tranche 1 issuance were US$22,340,000 ($30,344,365).

Tranche 2 Issuance

On April 3, 2024, the Company closed the issuance of 1,924 Units pursuant to the Offering, at a price of US$1,000 per Unit. The gross proceeds of the Tranche 2 issuance were US$1,924,000 ($2,601,408).

(Expressed in Canadian dollars, except as otherwise stated)

Conversion of Sprott Promissory Notes

On April 3, 2024, the existing promissory notes (the “Promissory Notes”) owned by Sprott Resource Lending Corp. (“Sprott”) were amended to provide for the conversion of the US$2,901,631 owed under the obligation into 2,901.631 Units pursuant to the Offering, at a price of US$1,000 per Unit (Note 10).

The amount of trading in the Gold Notes is not considered to constitute an active market, and therefore the fair value of the Gold Notes has been determined based on a valuation model using Level 2 inputs, including gold price volatility, forward gold prices, credit spread and forward yield curves.

	Number of Gold Notes	Amount (US$)	Amount ($)
Issuance of gold-linked notes	27,166	21,469,947	29,142,196
Loss on change in fair value	-	4,720,938	6,489,537
Gain on change in fair value through other comprehensive income due to changes in credit risk	-	(78,916)	(108,989)
Foreign exchange loss	-	-	2,049,768
Balance, December 31, 2024	**27,166**	**26,111,969**	**37,572,512**

	Amount (US$)	Amount ($)
Interest on gold-linked notes		
Interest expense	2,527,887	3,482,074
Interest payment	(2,527,887)	(3,502,779)
Foreign exchange loss	-	20,075
Balance, December 31, 2024	**-**	**-**

Scheduled amortizing payments of the principal balance of the gold-linked notes are as follows:

	2026	2027	2028	2029	Total
Gold Ounces	1,700	4,240	4,250	4,902	15,092
Principal Repayments	US$6,791,408	US$6,791,408	US$6,791,408	US$6,791,408	US$27,165,631

The corresponding Canadian dollar amounts, including scheduled interest payments, are disclosed in Note 15.

Total transactions costs related to the Offering were $2,779,932 which were proportionally allocated based on the fair values of the Notes and Warrants. Of this amount $2,189,460 was expensed to the consolidated statements of the loss and comprehensive loss and $590,472 was allocated to the warrant reserve. The net fair value of the warrants was US$ 5,354,021 ($7,267,503) at the inception. Furthermore, an additional $84,726 in financing costs for legal and fair-value work were expensed in the consolidated statement of loss and comprehensive loss. The total financing costs related to the gold-linked notes for the 13 months ended December 31, 2024 was $2,274,186.

9. CREDIT FACILITY

On December 31, 2024, the Company entered into a credit agreement (the “Loan Agreement”) with Nebari Natural Resources Credit Fund II, LP (“Nebari”), an arm’s length party, pursuant to which the Company will borrow up to a maximum principal amount of US$35 million (the “Credit Facility”) to be issued in three tranches of: (i) US$15 million (“Tranche 1”), (ii) US$15 million (“Tranche 2”), and (iii)

US$5 million ("Tranche 3"). The maturity date of the Credit Facility is 42 months following the closing of Tranche 1. Tranche 1 was drawn down on December 31, 2024 for US$15 million ($21.6 million).

Repayment of 50% of principal outstanding via fixed straight-line amortization commences on the 15th month following the draw-down of Tranche 1. The remaining 50% of borrowed funds are due on the maturity date. The Credit Facility may be repaid prior to maturity at any time subject to the additional payment of a make-whole threshold.

Interest will accrue on the advanced outstanding principal amount of the loan based on a floating rate per annum equal to the sum of: (i) the three-month term SOFR reference rate administered by CME Loan Party Benchmark Administration Limited (CBA) (the "Term SOFR"), as determined on the first date of each calendar month; and (ii) 8.0% per annum, provided that, if the Term SOFR is less than 4.0%, it shall be deemed to be 4.0%.

In addition, the Company paid Nebari an administration fee of $30,000 per annum and is to pay an arrangement fee in the amount of 1.5% of the funded amount for each Tranche.

The Company will issue on the closing of each Tranche a number of non-transferable common share purchase warrants (the "Loan Bonus Warrants") equal to:

a) Tranches 2 and 3: for each, the Canadian equivalent of 20% of the loan amount being drawn in respect of each Tranche divided by a Canadian dollar amount equal to a 30% premium to the lower of: (A) the lowest 20-day VWAP of the Company's share price prior to: (i) the date which the Company issues its request for the advance in respect of each Tranche ; (ii) the date of the first public announcement regarding the Company's intention to draw the loan each Tranche; and (iii) the closing date of the advance of each Tranche, and (B) the common share price of the most recent equity raise, subject to compliance with TSXV policies; and

b) Tranche 1: The Company issued 5,867,376 Loan Bonus Warrants at an exercise price of $0.73 per common share with a value of $1,739,147 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.87%; an expected volatility of 75%; an expected life of three and a half years; a forfeiture rate of zero; and an expected dividend of zero; and

Each Loan Bonus Warrant will entitle the holder to purchase one common share of the Company until the date that is 42 months following the closing of Tranche 1 with such term subject to a pro-rata reduction if the funded amount is prepaid in whole or in part, then a pro rata number of the total Loan Bonus Warrants issued in relation to such Tranche will have their term reduced to the later of one year from the date of issuance of the Warrants and 30 days from the reduction.

The Credit Facility is also guaranteed by the Company's wholly-owned subsidiaries, West Red Lake Gold Mines (Ontario) Ltd. and Red Lake Madsen Mine Ltd. (collectively, the "Guarantors"). The Guarantors and the Company have entered into security arrangements with the Lender while also initially securing the Loan by way of: (i) a pledge of 100% of all shares of the Guarantors (the "Share Pledges"); and (ii) a registered, perfected first priority senior security interest in, lien on and pledge of all intercorporate debt between the Company and the Guarantors.

The Credit Facility is subject to standard events of default, as well as certain covenants. As of December 31, 2024, the Company is in compliance with all the covenants. Transaction costs on the initial draw down of the Credit facility totalled $1,763,715 consisting of legal fees and other transaction costs which were recorded as deferred financing costs in the consolidated statement of financial position. As at December 31, 2024, $931,252 and $81,614 of the deferred financing costs were amortized and allocated to the debt and warrant components, respectively.

(Expressed in Canadian dollars, except as otherwise stated)

Balance, November 30, 2023	$	-
Tranche 1 – US$15 million		19,844,353
Amortized deferred transaction costs to Credit Facility		(931,252)
Balance, December 31, 2024	**$**	**18,913,101**

10. PROMISSORY NOTE

In connection with the Madsen Acquisition (Note 4), the Company issued a promissory note as deferred consideration in the amount of US$6,783,932 which was payable upon a change of control of the Company. The Company had the right to pay down any part of the deferred consideration prior to any change of control of the Company. The fund managed by Sprott could, at its election, convert such portion of the US$6,783,932 deferred consideration into common shares, upon completion of any future equity, merger, acquisition or other corporate transaction. On August 24, 2023, the fund managed by Sprott converted US$1,250,838 of the promissory note into common shares of the Company (Note 12). On December 14, 2023, the fund managed by Sprott converted a further US$2,631,463 of its promissory note into 6,900,000 units of the Company (Note 12). On April 3, 2024, the Promissory Notes owned by Sprott Resource Lending Corp ("Sprott") were amended to provide for the conversion of the US$2,901,631 owed under the obligation into 2,901.631 Units pursuant to the Offering, at a price of US$1,000 per Unit (Note 8).

A loss of $126,459 was recognized in the period upon the conversion to gold-linked note units.

		USD		**CAD**
Balance, November 30, 2022	$	-	$	-
Issued (Note 4)		6,783,932		8,953,435
Conversion into shares (Note 12)		(1,250,838)		(1,680,000)
Foreign exchange loss		-		241,613
Balance, November 30, 2023		5,533,094		7,515,048
Conversion into units (Note 12)		(2,631,463)		(3,588,000)
Conversion into gold-linked notes (Note 8)		(2,995,048)		(4,054,396)
Loss on conversion (Note 8)		93,417		126,459
Foreign exchange loss		-		889
Balance, December 31, 2024	**$**	**-**	**$**	**-**

11. PROVISION FOR RECLAMATION AND CLOSURE

The Company recognized a liability relating to its Madsen Mine on acquisition and has determined that no significant reclamation and closure liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the reclamation and closure provision as at December 31, 2024, using a pre-tax discount rate of 2.99% (2023 - $3.60%) and an inflation rate of 2.00% (2023 – 2.00%). The estimated total undiscounted cash flows to settle the provision for reclamation and closure as of December 31, 2024, is $33,334,247 (November 30, 2023 - $28,764,712).

The Company has estimated that payments will commence in 2032.

(Expressed in Canadian dollars, except as otherwise stated)

Balance, November 30, 2022	$	-
Provision recognized on acquisition (Note 4)		19,221,914
Reclamation accretion expense		262,852
Change in assumptions		(571,750)
Balance, November 30, 2023		18,913,016
Reclamation accretion expense		661,198
Change in assumptions		2,254,857
Balance, December 31, 2024	**$**	**21,829,071**

12. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and fully paid

For the 13 months ended December 31, 2024

On October 24, 2024, pursuant to a public offering, the Company issued 41,666,800 units at a price of $0.69 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share exercisable at $0.90 until October 24, 2027 (the "October 2024 Offering"). The total gross proceeds of the October 2024 Offering was $28,750,092. Total costs and expenses related to the October 2024 Offering totaled $2,347,604.

On May 16, 2024, pursuant to a public offering, the Company issued 31,944,700 units at a price of $0.72 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share exercisable at $1.00 until May 16, 2026 (the "May 2024 Offering"). In addition, the Company issued 11,236,000 charity flow-through units in the capital of the Company at a price of $0.89 per unit with each unit consisting of one common share and one common share purchase warrant exercisable at $1.00 until May 16, 2026 (the "May 2024 FTS Offering"). The total gross proceeds of the May 2024 Offering and the May 2024 FTS Offering were $23,000,184 and $10,000,040, respectively. The Company paid cash commissions and finders fees of $1,889,404 in relation to the financing and paid $1,117,402 in other costs related to the financing. Total cash share issue costs related to the financing totalled $3,006,806. The transaction costs were allocated on a pro-rata basis between the May 2024 Offering and the May 2024 FTS Offering totalling $2,095,655 and $911,151, respectively. The net proceeds on the May 2024 Offering and May 2024 FTS Offering were $20,904,528 and $9,088,889, respectively. There was a flow-through premium liability of $1,910,120 recorded on issuance of the flow-through shares as there was a difference in the price per unit between the May 2024 Offering and May 2024 FTS Offering. As at December 31, 2024, the flow-through premium liability was $615,106 (Note 21).

On January 11, 2024, the Company issued 50,000 common shares at a deemed price of $0.60 per share for the settlement of $30,000 in debt owed to an arm's length creditor.

On December 14, 2023, the Company issued 6,900,000 units as conversion of $3,588,000 (US$2,631,463) of the obligations under the promissory note at a price of $0.52 per unit (Note 10). Each unit consists of one common share and one common share purchase warrant exercisable at $0.68 per share purchase warrant until November 28, 2026.

During the 13 months ended December 31, 2024, 851,200 common shares were issued on the exercise of stock options for gross proceeds of $474,679, 740,332 common shares were issued on exercise of RSUs and DSUs for gross proceeds of $nil and 10,315,911 common shares were issued on the exercise of warrants for gross proceeds of $6,163,194.

For the 12 months ended November 30, 2023

On November 28, 2023, pursuant to a brokered private placement, the Company issued 29,000,000 units in the capital of the Company at a price of $0.52 per unit with each unit consisting of one common share and one common share purchase warrant exercisable at $0.68 until November 28, 2026 for total gross proceeds of $15,080,000. The Company also issued 1,298,800 non-transferrable broker warrants exercisable at $0.52 until November 28, 2025. The broker warrants have been recorded at a fair value of $378,444. The fair value of the broker warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 4.3%, expected life of 2.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. In addition, the Corporation paid cash commissions and finders fees of $687,918 in relation to the financing and paid $452,550 in other costs related to the private placement. Total cash share issue costs related to the private placement totalled $1,140,468.

On August 24, 2023, the Company issued 2,400,000 common shares as conversion of $1,680,000 (US$1,250,838) of the obligations under the promissory note at a price of $0.70 per share (Note 9).

On August 11, 2023, the Company issued 10,000,000 flow-through shares pursuant to a non-brokered flow-through private placement at a price of $0.70 per flow-through share for total proceeds of $7,000,000. The Company paid total cash share issuance costs of $298,713 consisting of finder’s fees of $192,288 and $106,425 in other costs related to the share issuance. There was no flow-through premium liability recorded on issuance of the flow-through shares as there was no difference between the fair value and the issuance price of its flow-through shares.

In connection with the Madsen Acquisition (Note 4), the Company completed a bought deal financing for 70,829,000 subscription receipts (“Subscription Receipts”) at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $24,790,150 (the “Offering”). The gross proceeds from the Offering were placed into escrow pending satisfaction of certain escrow release conditions, including satisfaction of all conditions to completion of the Madsen Acquisition. The Madsen Acquisition was completed on June 16, 2023 and the escrow release conditions were met, with each Subscription Receipt being converted, for no additional consideration, into one common share of the Company. On June 16, 2023 and June 29, 2023, the Company issued an aggregate of 40,730,677 common shares to acquire the Madsen Mine and issued an aggregate of 2,036,534 common shares for payment of advisory services to certain third parties in connection with the Madsen Acquisition (Note 4).

As consideration for the bought deal financing above, the Underwriter received cash commission of $1,090,924 and 3,714,300 broker warrants, with each broker warrant entitling the holder to acquire one common share of the Company at a price of $0.35 per share until June 16, 2025. The broker warrants have been recorded at a fair value of $1,766,043. The fair value of the broker warrants was determined using the Black-Scholes option pricing model using the following assumptions: risk free rate interest rate of 3.8%, expected life of 2.0 years, expected volatility rate of 75.00% and a dividend rate of 0.00%. The Company paid $552,786 in other costs related to the Offering. Total cash share issue costs related to the Offering totalled $1,643,710.

On June 16, 2023, the Company issued 1,714,286 flow-through shares pursuant to a non-brokered private placement of $600,000 in flow-through shares at a price of $0.35 per flow-through share. There was no flow-through premium liability recorded on issuance of the flow-through shares as there was no difference between the fair value and the issuance price of its flow-through shares.

(Expressed in Canadian dollars, except as otherwise stated)

In May 2023, the Company issued 600,000 common shares by way of a non-brokered private placement at price of $0.35 per share concurrent with the Offering for gross proceeds of $210,000.

In February 2023, the Company issued an aggregate of 3,827,250 common shares in connection with the Purchase Agreement (Note 4).

In December 2022, the Company issued an aggregate of 35,451,916 common shares to the RLG shareholders and issued an aggregate of 1,700,000 finder fees common shares to certain third parties in connection with the RLG Transaction (Note 4).

During the 12 months ended November 30, 2023, 15,000 common shares were issued on the exercise of stock options for gross proceeds of $7,500 and 2,000,000 common shares were issued on the exercise of warrants for gross proceeds of $700,000.

(c) Stock options

The Company has established a rolling Stock Option Plan (the "Plan"). Under the Plan, the number of options reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company's shares at the date of grant. Options vest as per the Plan at the discretion of the Board of Directors.

A summary of the changes in options follows:

	Number of options		Weighted average exercise price
Balance, November 30, 2022	-	$	-
Granted	13,813,075		0.62
Exercised	(15,000)		0.50
Forfeited	(101,250)		0.60
Expired	(589,275)		1.49
Balance, November 30, 2023	13,107,550		0.59
Granted	7,414,400		0.89
Exercised	(851,200)		0.56
Forfeited	(1,370,125)		0.64
Expired	(206,550)		0.83
Balance, December 31, 2024	**18,094,075**	**$**	**0.70**

As of December 31, 2024, the following options were outstanding:

Outstanding		Exercisable		Exercise price	Remaining contractual life (years)	Expiry date
18,225	(1)	18,225		0.83	0.19	March 12, 2025
36,450	(1)	36,450		0.83	2.01	January 4, 2027
3,435,000		3,435,000		0.50	8.00	December 30, 2032
250,000		125,000		0.50	8.13	February 13, 2033
5,910,000		2,955,000		0.62	3.49	June 26, 2028
420,000		210,000		0.69	3.57	July 26, 2028
785,000		196,250		0.60	3.71	September 14, 2028
6,989,400		1,747,350		0.90	4.28	April 11, 2029
250,000		62,500		0.56	4.48	June 24, 2029
18,094,075		**8,785,775**	**$**	**0.70**	**4.74**	

(1) Replacement Options issued in connection with the RLG Transaction (Note 4)

(Expressed in Canadian dollars, except as otherwise stated)

During the 13 months ended December 31, 2024, 7,414,400 stock options were granted with a weighted average exercise price of $0.89 and a weighted-average fair value of $0.57 per stock option. During the 12 months ended November 30, 2023, 13,813,075 stock options were granted with a weighted average exercise price of $0.62 and a weighted-average fair value of $0.39 per stock option.

The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the 13 months ended December 31, 2024:

	13 months ended December 31, 2024
Risk free interest rate	**3.70%**
Expected life of Option	**5.0 years**
Annualized volatility	**75%**
Dividend rate	**0.0**
Forfeiture rate	**0.0**

The following weighted-average assumptions were used in the Black-Scholes valuation of stock options granted during the 12 months ended November 30, 2023, excluding the Replacement Options (Note 4):

	12 months ended November 30, 2023
Risk free interest rate	**4.07%**
Expected life of Option	**6.7 years**
Annualized volatility	**75%**
Dividend rate	**0.0**
Forfeiture rate	**0.0**

Share-based compensation expense of $3,416,532 was recognized for stock options on the consolidated statement of loss and comprehensive loss during the 13 months ended December 31, 2024 (12 months ended November 30, 2023: $3,111,767).

(d) Restricted Share Unit and Deferred Share Unit Compensation Plan

The Company has established a “fixed” restricted share unit (“RSU”) deferred share unit (“DSU”) and performance share unit (“PSU”) compensation plan (the “RSU/DSU/PSU Plan”). Under the RSU/DSU/PSU Plan the maximum number of restricted share units deferred share units and performance share units (“Awards”) that may be reserved is 26,995,675 Awards.

A summary of the changes in RSUs:

	Number of RSU		**Weighted average grant date fair value**
Balance, November 30, 2022	-	$	-
Granted	2,165,000		0.62
Forfeited	(30,000)		0.62
Balance November 30, 2023	2,135,000		0.62
Granted	2,397,000		0.88
Converted	(640,332)		0.62
Forfeited	(254,000)		0.64
Balance, December 31, 2024	**3,637,668**	**$**	**0.79**

During the 13 months ended December 31, 2024, the Company granted 2,397,000 RSUs and 2,165,000 RSUs during the 12 months ended November 30, 2023. Share-based compensation expense of $1,380,378 was recognized for RSUs on the consolidated statement of loss and comprehensive loss during the 13 months ended December 31, 2024 (12 months ended November 30, 2023: $325,454).

(Expressed in Canadian dollars, except as otherwise stated)

A summary of the changes in DSUs:

	Number of DSU		Weighted average grant date fair value
Balance, November 30, 2022	-	$	-
Granted	700,000		0.62
Balance, November 30, 2023	700,000		0.62
Granted	600,000		0.90
Converted	(100,000)		0.62
Balance, December 31, 2024	**1,200,000**	**$**	**0.77**

During the 13 months ended December 31, 2024, the Company granted 600,000 DSUs and 700,000 DSUs for the 12 months ending November 30, 2023. Share-based compensation expense of $645,921 was recognized for DSUs on the consolidated statement of loss and comprehensive loss during the 13 months ended December 31, 2024 (12 months ended November 30, 2023: $185,655).

No PSUs have been granted in the 13 months ended December 31, 2024 and 12 months ended November 30, 2023.

(e) Warrants

A summary of the changes in warrants follows:

	Number of warrants		Weighted average exercise price
Balance, November 30, 2022	-	$	-
Issued	38,301,703		0.62
Exercised	(2,000,000)		0.35
Balance, November 30, 2023	36,301,703	$	0.63
Issued	116,902,474		0.92
Exercised	(10,315,911)		0.60
Expired	(538,603)		0.82
Balance, December 31, 2024	**142,349,663**	**$**	**0.87**

As of December 31, 2024, the following warrants were outstanding:

Outstanding and exercisable	Exercise price ($)	Expiry date
3,050,000	0.42	June 16, 2028
649,400	0.52	November 28, 2025
28,647,789	0.68	November 28, 2026
19,287,598	0.95	March 19, 2029
43,180,700	1.00	May 16, 2026
41,666,800	0.90	October 24, 2027
5,867,376	0.73	June 30, 2028
142,349,663	**0.87**	

(Expressed in Canadian dollars, except as otherwise stated)

13. RELATED PARTY TRANSACTIONS

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and includes officers and directors of the Company. During the 13 months ended December 31, 2024 and 12 months ended November 30, 2023, remuneration to officers and directors of the Company was as follows:

		13 months ended December 31, 2024		12 months ended November 30, 2023
Salaries, benefits and directors' fees	**$**	**2,564,803**	$	617,583
Share-based compensation	**$**	**3,910,374**	$	1,679,528
Consulting fees	**$**	**-**	$	36,750

Consulting fees related to consulting services from a company associated with one of its former directors in relation to various studies. Officers and directors of the Company were also reimbursed for out-of-pocket expenses that occur in the normal course of operations.

As of December 31, 2024 and November 30, 2023, $nil amounts were owing to officer and directors, or companies controlled by officers and directors of the Company.

14. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition, exploration, development and evaluation of assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting, and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all components of equity and debt, net of cash, and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company.

The properties in which the Company currently has an interest are in the exploration and development stage. As such, the Company has historically relied on the equity and debt markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it determines that there is sufficient geologic or economic potential and if it has adequate financial resources to do so. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company included the components of equity, gold-linked notes, credit facility and promissory note, net of cash.

(Expressed in Canadian dollars, except as otherwise stated)

Capital, as defined above, is summarized in the following table:

		December 31, 2024		November 30, 2023
Equity	**$**	**29,462,889**	$	66,034,404
Gold-linked notes		**37,572,512**		-
Credit facility		**18,913,101**		-
Promissory note		**-**		7,515,048
Less: Cash and cash equivalents		**(36,880,004)**		(16,308,858)
Less: Restricted cash		**(169,913)**		(169,913)
	$	**48,898,585**	$	57,070,681

15. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, gold-linked notes payable, credit facility and promissory note.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are:

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

Cash and cash equivalents, restricted cash and accounts payable and accrued liabilities are classified as level 1 in the fair value hierarchy. The fair values of the Company's cash and cash equivalents, restricted cash, accounts payable and accrued liabilities and promissory note approximate their carrying values due to their short-term nature. The fair value of the gold-linked notes have been determined based on a valuation model using Level 2 inputs, including gold price volatility, forward gold prices, credit spread and forward yield curves. The fair value of the Level 3 credit facility matches the carrying value because the credit facility was entered into on December 31, 2024. In future periods, the credit facility will be re-assessed based on current market conditions.

Financial Risk

The Company is exposed to varying degrees of a variety of financial instrument-related risks. The Board approves and monitors the risk management processes, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

<u>Credit Risk</u>

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments potentially subject to credit risk are cash and cash equivalents and restricted cash. The Company holds cash and cash equivalents with large Canadian banks. Accordingly, the Company does not believe it is subject to significant credit risk. The Company's maximum exposure to credit risk is as follows:

		December 31, 2024		November 30, 2023
Cash and cash equivalents	**$**	**36,880,004**	$	16,308,858
Restricted cash		**169,913**		169,913
	$	**37,049,917**	$	16,478,771

(Expressed in Canadian dollars, except as otherwise stated)

Interest Rate Risk

Interest rate risk consists of the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Nebari credit facility interest is subject to the three-month Term SOFR rate, with a minimum value of 4%, in addition to the fixed 8% rate. The Term SOFR rate is published by the CBA on a public platform. The SOFR term is consistent with the credit facility interest period of three months. An increase in the three-month Term SOFR rate by 1% will increase the Company's interest expense by $0.2 million per annum.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital to meet short-term obligations. As of December 31, 2024, the Company had a working capital balance (current assets less current liabilities) of $14,856,425 and has a US$20 million undrawn balance under the Credit Facility. The Company recorded a loss of $115,790,031 and a cash outflow from operating activities of $80,592,165 for the 13 months ended December 31, 2024 and had an accumulated deficit of $167,412,189 as of December 31, 2024. The Company does not currently have a recurring source of revenue. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The Company's significant undiscounted commitments at December 31, 2024 are as follows:

	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Trade & other payables	$24,664,809	$ -	$ -	$ -	$24,664,809
Lease payments (Note 6)	1,687,780	2,403,710	286,521	-	4,378,011
Credit facility (Note 9)	2,855,776	28,919,616	-	-	31,775,392
Gold-linked notes[1] (Note 8)	4,690,635	26,873,431	22,182,796	-	53,746,862
Provision for reclamation and closure (Note 11)	-	-	-	32,039,838	32,039,838
	$33,899,000	**$58,196,757**	**$22,469,317**	**$32,039,838**	**$146,604,912**

[1] The Gold-linked notes commitment is based on a US$1,800 gold price and includes coupon interest

Foreign Currency Risk

The functional currency of the Company and its subsidiaries is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily includes US dollar denominated cash and the gold-linked notes. The Company maintains Canadian and US dollar bank accounts in Canada.

As at December 31, 2024, a 10% change in the Canadian dollar versus the US dollar exchange rates would give rise to a $3,737,530 change in loss and comprehensive loss. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(Expressed in Canadian dollars, except as otherwise stated)

Price 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 volatility. Future changes in commodity prices may impact the valuation of long-lived assets and gold-linked notes including payment of the premium relating to the gold-linked notes (Note 8). The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action, if any, to be taken by the Company.

16. INCOME TAXES

		2024		2023
Net loss for the periods	**$**	**(115,790,031)**	$	(32,506,639)
Statutory rate		**27%**		27%
Expected income tax recovery	**$**	**(31,263,308)**	$	(8,776,792)
Share based payments		**1,469,565**		978,176
Share issuance costs		**(1,490,757)**		(832,381)
Differing provincial effective tax rate		**425,672**		116,105
Impact of flow-through shares		**3,086,110**		1,890,532
Impact of change in tax estimates		**16,007,432**		-
Other		**714,362**		32,589
Change in unrecognized deferred tax assets		**11,050,924**		6,591,771
Income tax expense	**$**	**-**	$	-

The approximate tax effect of each item that gives rise to the Company's recognized deferred tax assets and liabilities are as follows:

		2024		2023
Non-capital losses	**$**	**7,185,366**	$	34,602
Plant and equipment		**(7,185,366)**		(34,602)
Net deferred tax assets (liabilities)	**$**	**-**	$	-

The Company has the following deductible temporary differences for which no deferred tax assets have been recognized:

Temporary Differences	**2024**	**Expiry Dates**	2023	Expiry Dates
Non-capital losses	**$ 246,877,488**	**2026-2044**	$ 279,760,522	2025-2043
Exploration and evaluation	**76,092,013**	**No expiry**	18,226,592	No expiry
Financing fees	**9,536,387**	**2045-2048**	4,696,345	2044-2047
Other	**8,572,450**	**No expiry**	792,674	No expiry

The Company's non-capital losses are in Canada. Tax attributes are subject to review, and potential adjustment, by tax authorities.

(Expressed in Canadian dollars, except as otherwise stated)

17. SUPPLEMENTAL CASH FLOW INFORMATION

a) The Company did not make any cash payments for income taxes during the 13 months ended December 31, 2024 and 12 months ended November 30, 2023.

b) Schedule of non-cash investing and financing activities:

		13 months ended December 31, 2024		12 months ended November 30, 2023
Settlement of deferred consideration with common shares	**$**	**3,588,000**	$	1,680,000
Settlement of deferred consideration with gold-linked notes		**3,231,814**		-
Settlement of debt with common shares		**30,000**		-
Plant and equipment included in accounts payable and accrued liabilities		**3,511,020**		-
Fair value of Loan Bonus Warrants issued for Credit Facility		1,657,533		-
Non-cash acquisition costs for RLG and Madsen		-		53,913,171
Prepaid expenses acquired from RLG and Madsen Mine		-		1,914,937
Sales tax receivable acquired from RLG and Madsen Mine		**-**		476,529
Accounts payable and accrued liabilities acquired from RLG and Madsen Mine		**-**		2,769,608
Asset retirement obligations acquired from Madsen Mine		**-**		19,221,914
Non-cash acquisition costs for acquisition of JV interest	**$**	**-**	$	1,185,648

18. COMMITMENTS AND CONTINGENCIES

During the 13 months ended December 31, 2024, the Company raised $10,000,040 in flow-through financing (Note 12) and is required to incur flow-through expenditures by March 31, 2025 (incurred), in the same amount. As of December 31, 2024, the balance of the obligation was $3,300,040.

During the 12 months ended November 30, 2023, the Company raised $7,600,000 in flow-through financing (Note 12) and is required to incur flow-through expenditures by December 31, 2024, in the same amount. As of December 31, 2024, the balance of the obligation was $Nil.

If the Company does not incur the amount of the eligible flow-through expenditures by March 31, 2025, or if there is a reduction in such amount renounced pursuant to the provisions of the Income Tax Act, the Company shall indemnify the purchaser for an amount equal to the amount of any tax payable or that may become payable under the Income Tax Act (and under any corresponding provincial legislation) by the purchaser as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity.

19. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and development of gold properties. All of the Company's assets are located in Canada.

(Expressed in Canadian dollars, except as otherwise stated)

20. FINANCE EXPENSE

	13 months ended December 31, 2024	12 months ended November 30, 2023
Interest expense - gold-linked notes (Note 8)	**$ 3,482,074**	$ -
Financing costs - gold-linked notes (Note 8)	**2,274,186**	-
Reclamation accretion expense (Note 11)	**661,198**	262,852
Interest expense on lease liabilities (Note 6)	**238,486**	6,128
	$ 6,655,944	$ 268,980

21. OTHER INCOME

Other income relates to the sale of gold processed during the mill clean-up of $1,624,761 and the amortization of the Flow-through premium liability of $1,295,014 for a total of $2,919,775.

22. SUBSEQUENT EVENTS

Subsequent to December 31, 2024, the Company granted 1,197,000 DSUs awards, 3,988,000 RSUs awards, and 3,916,500 options. 2,847,189 shares were issued on exercise of warrants for gross proceeds of $1,663,185. 95,666 shares were issued at a price of $0.604 on conversion of vested RSUs awards. 15,000 shares were issued on exercise of share options for gross proceeds of $7,500.

On February 25, 2025, pursuant to a public offering, the Company issued 23,628,000 charity flow-through units at a price of $0.8487 per unit. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share exercisable at $0.90 until February 25, 2028 (the “February 2025 Offering”). The total gross proceeds of the February 2025 Offering was $20,053,084.

On March 21, 2025, the Company drew down US$7.5M ($10.7 million) of Tranche 2 of the Credit Facility that was entered into on December 31, 2024 (Note 9) and issued 2,691,934 Loan Bonus Warrants at an exercise price of $0.7969 per common share.

In early 2025, the United States imposed tariffs of up to 25% on most Canadian imports. The Canadian federal and provincial governments then imposed retaliatory tariffs on imports from the United States as well as non-tariff measures. Although the ultimate scope, timing and duration of these tariffs and retaliatory measures remains unclear, the connected impact of these announcements may cause continued economic uncertainty. While no adjustments have been made to these financial statements, it may be difficult to reliably measure the impact of this uncertainty on future accounting estimates, forecasts and financial results.