Cartier Silver Corporation

Financial Statements

December 31, 2024 and 2023

(expressed in Canadian dollars)

RSM

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cartier Silver Corporation

Opinion

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

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of $4,429,209 during the year ended December 31, 2024 and, as of that date, the Company's current liabilities exceeded its current assets by $162,760. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis (MD&A).

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

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

We obtained the MD&A report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current 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 Octavio Cabral.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 30, 2025
Toronto, Ontario

Cartier Silver Corporation
Statements of Financial Position
(expressed in Canadian dollars)

	Notes	As at December 31, 2024 $	2023 $
Assets			
Current			
Cash		126,501	28,761
Receivables		38,667	70,699
Prepaid expenses		52,067	44,164
		217,235	143,624
Investment in Eloro Resources Ltd.	5	2,119,362	5,208,000
Right-of-use asset	6	88,695	133,047
		2,425,292	5,484,671
Liabilities			
Current			
Accounts payable and accrued liabilities	15	299,160	439,532
Due to Eloro Resources Ltd.	7 and 15	23,848	181,329
Refundable tax credit assessments payable	8	8,742	56,742
Current portion of lease liability	9	48,245	44,970
		379,995	722,573
Lease liability	9	51,723	99,970
		431,718	822,543
Shareholders' equity			
Share capital	10	21,653,625	16,959,845
Contributed surplus	10	2,468,000	2,468,000
Warrants	10	1,897,664	4,830,789
Deficit		(24,025,715)	(19,596,506)
		1,993,574	4,662,128
		2,425,292	5,484,671
Going concern	2		
Commitments	11		

Approved by the Board:

Thomas G. Larsen — **Director**

Francis Sauve — **Director**

Cartier Silver Corporation
Statements of Loss and Comprehensive Loss
(expressed in Canadian dollars)

	Notes	Years ended December 31, 2024 $	2023 $
Expenses			
Professional fees	15	112,601	107,860
Consulting fees	15	344,050	300,000
Stock-based compensation		-	190,000
General and administrative		250,540	199,570
Investor relations		174,002	341,873
Exploration and evaluation	11	377,975	2,016,246
Accretion	9	7,473	10,070
Depreciation	6	44,352	44,352
Gain on statute-barred accounts payable		(10,518)	(46,981)
Gain on forgiveness of Canada Emergency Business Account loan		-	(10,000)
Recoveries		(17,873)	(18,000)
		1,282,602	3,134,990
Loss before investment income		(1,282,602)	(3,134,990)
Gain on sale of investment in Eloro Resources Ltd.		56,550	-
Decrease in fair value of investment in Eloro Resources Ltd.	5	(3,203,157)	(3,989,699)
Loss and comprehensive loss		(4,429,209)	(7,124,689)
Loss per common share-basic and diluted		(0.10)	(0.18)
Weighted average number of common shares-basic and diluted		45,659,489	39,177,965

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

Cartier Silver Corporation
Statements of Changes in Equity
(expressed in Canadian dollars)

	Share capital $	Contributed surplus $	Warrants $	Deficit $	Total $
Balance, December 31, 2023	16,959,845	2,468,000	4,830,789	(19,596,506)	4,662,128
Private placement units (note 10)	1,800,000	-	-	-	1,800,000
Fair value of warrants issued	(514,875)	-	514,875	-	-
Share issue costs	(39,345)	-	-	-	(39,345)
Fair value of expired warrants (note 10)	3,448,000	-	(3,448,000)	-	-
Loss	-	-	-	(4,429,209)	(4,429,209)
Balance, December 31, 2024	21,653,625	2,468,000	1,897,664	(24,025,715)	1,993,574
Balance, December 31, 2022	14,895,840	2,298,952	5,986,314	(12,471,817)	10,709,289
Fair value of expired stock options	20,952	(20,952)	-	-	-
Exercise of warrants	887,528	-	-	-	887,528
Fair value of exercised warrants	556,694	-	(556,694)	-	-
Fair value of expired warrants	598,831	-	(598,831)	-	-
Stock-based compensation	-	190,000	-	-	190,000
Loss	-	-	-	(7,124,689)	(7,124,689)
Balance, December 31, 2023	16,959,845	2,468,000	4,830,789	(19,596,506)	4,662,128

Cartier Silver Corporation
Statements of Cash Flows
(expressed in Canadian dollars)

	2024	Years ended December 31, 2023
	$	$
Cash provided by (used in)		
Operating activities		
Loss	(4,429,209)	(7,124,689)
Items not affecting cash		
Stock-based compensation	-	190,000
Depreciation	44,352	44,352
Gain on statute-barred accounts payable	(10,518)	(46,981)
Gain on forgiveness of Canada Emergency Business Account loan	-	(10,000)
Gain on sale of investment in Eloro Resources Ltd	(56,550)	-
Decrease in fair value of investment in Eloro Resources Ltd.	3,203,157	3,989,699
Changes in non-cash working capital		
Receivables	32,032	(16,000)
Prepaid expenses	(7,903)	126,643
Accounts payable and accrued liabilities	66,784	(694,600)
Refundable tax credit assessments payable	(48,000)	(45,000)
	(1,205,855)	(3,586,576)
Financing activities		
Private placement units	1,354,000	-
Share issue costs	(39,345)	-
Exercise of warrants	-	887,528
Advances from Eloro Resources Ltd.	195,664	181,329
Repayment of advances from Eloro Resources Ltd.	(144,327)	-
Repayment of Canada Emergency Business Account loan	-	(30,000)
Repayment of lease liability	(44,972)	(41,883)
	1,321,020	996,974
Investing activities		
Proceeds on sale of investment in Eloro Resources Ltd.	174,200	-
Purchase of investment in Eloro Resources Ltd.	(191,625)	(600,799)
	(17,425)	(600,799)
Net increase (decrease) in cash	97,740	(3,190,401)
Cash, beginning of year	28,761	3,219,162
Cash, end of year	126,501	28,761
Non-cash transactions		
Issue of private placement units		
Settlement of accounts payable and accrued liabilities due to related parties	146,000	-
Settlement of due to Eloro Resources Ltd.	300,000	-
Settlement of accounts payable and accrued liabilities settled by due to Eloro Resources Ltd.	50,638	-
Investment in Eloro Resources Ltd. settled by due Eloro Resources Ltd.	40,544	-
Supplementary information		
Interest paid	7,473	10,070
Income taxes paid	-	-

1. Nature of operations
Cartier Silver Corporation (the “Company”) is a public company engaged in the exploration and development of a silver property in Bolivia, an iron ore property in Québec and a gold property in Newfoundland. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6.

2. Going concern
The Company is in the exploration stage and does not generate revenue. At December 31, 2024, the Company had a working capital deficit of $162,760 (2023 - $578,949) and for the year ended December 31, 2024, the Company incurred a loss of $4,429,209 (2023 - $7,124,689) and a cashflow deficit from operating activities of $1,205,854 (2023 - $3,586,576). The losses and cashflow deficits limit the Company’s ability to fund its operations and the acquisition, exploration and development of its mineral resource properties.

At December 31, 2024, the Company had an investment in Eloro Resources Ltd. (“Eloro”) with a fair value of $2,119,362 (2023 - $5,208,000) (see note 5, *Investment in Eloro Resources Ltd.*). The Company has classified the investment in Eloro as a long-term asset as it does not expect to realize the investment within the next 12 months.

The continued operation of the Company is dependent upon the Company’s ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of its mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

As a result, there is material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance
The financial statements are prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The financial statements were approved and authorized for issue by the Board of Directors on April 30, 2025.

Basis of measurement
These financial statements have been prepared on the historical cost basis, except for investment in Eloro Resources Ltd. that has been measured at fair value.

Functional and presentation currency
These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments
The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Going concern
The Company applied judgment in assessing its ability to continue as a going concern for at least 12 months. See note 2, *Going concern*.

Determination of significant influence over investment in Eloro
The Company applied judgment in assessing the level of influence that it has over Eloro Resources Ltd. ("Eloro") and determined that it did not have significant influence over Eloro effective January 1, 2021. See note 5, *Investment in Eloro.*

Title to mineral properties
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects. If the Company does not have title to its mineral properties, there will be adverse consequences to the Company and its business prospects.

Valuation of stock options and warrants
The Company uses the Black-Scholes option pricing model in determining the fair value of stock options and warrants, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. See note 10, *Share capital*.

Deferred income taxes
Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. See note 14, *Income taxes*.

4. Material accounting policies
The material accounting policies set out below have been applied consistently to all years presented in these financial statements.

Financial instruments
Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets include cash and receivables which are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding. The Company's financial assets also include an investment in Eloro Resources Ltd. which is measured at fair value.

Financial liabilities include accounts payable and accrued liabilities, due to Eloro Resources Ltd., refundable tax credit assessments payable and lease liability, which were initially measured at fair value and subsequently classified as amortized cost.

Leases
A contract is, or contains a lease, when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. With exceptions for certain short-term leases and leases of low-value assets, IFRS 16 requires a lessee to recognize lease contracts as a right-of-use asset representing its right to use an identified asset for a period of time and a lease liability representing its obligation to make lease payments.

The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability and any lease payments made at or before the commencement date. Right-of-use assets are subsequently depreciated from the commencement date of the lease to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The lease liability is initially recognized as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset. The lease liability is subsequently measured by reducing the carrying amount to reflect lease payments made and to reflect any reassessments or modifications.

Exploration and evaluation

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

Decommissioning liabilities

The Company's activities may give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the date of the statement of financial position. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. As at December 31, 2024 and 2023, the Company had no decommissioning liabilities.

Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Unit private placements

For private placements of units consisting of common shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to common shares. If the residual amount is nominal or negative, the proceeds are allocated on a pro-rata basis based on the respective fair value of the common shares and warrants.

Share-based payments

The Company offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation or asset and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued for exploration and evaluation are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. No provisions were recorded as at December 31, 2024 and 2023.

Income tax
Income tax expense comprises current and deferred taxes. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

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:

- temporary differences on 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;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- 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. 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.

Loss per share
The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted and warrants issued.

(expressed in Canadian dollars)

New accounting standard adopted
The following accounting standard was adopted by the Company during the year ended December 31, 2024:

IAS 1 – Presentation of Financial Statements
The IASB issued an amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

There was no impact on the adoption of this standard.

IAS 8 – Definition of Accountings Estimates
The IASB has issued an amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

There was no impact on the adoption of this standard.

New accounting standards issued but not effective
The IASB has issued classification and measurement and disclosure amendments to IFRS 9 and IFRS 7 with an effective date for years beginning on or after January 1, 2026 with earlier application permitted. The amendments clarify the date of recognition and derecognition of some financial assets and liabilities and introduce a new exception for some financial liabilities settled through an electronic payment system. Other changes include a clarification of the requirements when assessing whether a financial asset meets the solely payments of principal and interest criteria and new disclosures for certain instruments with contractual terms that can change cash flows.

IFRS 18, *Presentation and Disclosure in Financial Statements* is a new standard that will provide new presentation and disclosure requirements and replace International Accounting Standard 1, *Presentation of Financial Statements* (IAS 1) with an effective date for years beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 introduces changes to the structure of the income statement; provides required disclosures in financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on Annual Report Consolidated Financial Statements aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained.

The Company has not yet commenced the evaluation of the impact of these new standards and amendments.

5. Investment in Eloro Resources Ltd.

	Number of Eloro common shares	**$**
Fair value at December 31, 2022	2,210,000	8,596,900
Purchases/cash	190,000	600,799
Unrealized loss	–	(3,989,699)
Fair value at December 31, 2023	2,400,000	5,208,000
Purchases/cash	191,000	191,625
Purchases/settled by increase in due to Eloro Resources Ltd.	45,049	40,544
Dispositions	(200,000)	(117,650)
Unrealized loss	–	(3,203,157)
Fair value at December 31, 2024	2,436,049	2,119,362

(expressed in Canadian dollars)

The Company accounted for its investment in Eloro at fair value. The Company and Eloro have three common directors.

6. Right-of-use asset

	2024 $	2023 $
Right-of-use asset	221,751	221,751
Accumulated depreciation	(133,056)	(88,704)
	88,695	133,047

The lease for premises is a joint and several commitment with Eloro. See note 9, *Lease liability*.

7. Due to Eloro Resources Ltd.

The amount due to Eloro of $23,848 (2023 - $181,329) is non-interest bearing, unsecured and due on demand.

8. Refundable tax credit assessments payable

On November 8, 2018, the Company received notices of assessments from Revenu Québec for the repayment of refunds received by the Company for the refundable tax credit on eligible exploration expenditures incurred in Québec in respect of 2013, 2014 and 2015 (“Notices”). The Company filed notices of objection with respect to the Notices and Revenu Québec has now ruled that the Notices were deemed valid and binding in conformity with the *Taxation Act*. Accordingly, the amount of the Notices of was recorded as a liability and the Company made monthly payments of $2,500 until June 30, 2022 and agreed to make monthly payments of $4,000 until repaid. At December 31, 2024, the Company owes $8,742 (2023 - $56,742).

9. Lease liability

	$
Balance, December 31, 2022	186,823
Accretion	10,070
Payments	(51,953)
Balance, December 31, 2023	144,940
Accretion	7,473
Payments	(52,445)
Balance, December 31, 2024	99,968

	$
Current portion of lease liability	48,245
Long-term lease liability	51,723
	99,968

The lease for premises is a joint and several commitment with Eloro. The remaining lease term is 2 years. The lease payments are discounted using an interest rate of 6%, which is the Company's incremental borrowing rate. The amount of the Company’s undiscounted lease payments that is due within one year is $52,932. The amount of the Company’s undiscounted lease payments that is due later than one year and not later than five years is $53,421.

10. Share capital

Authorized

An unlimited number of common shares.

An unlimited number of Class A preferred shares voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

(expressed in Canadian dollars)

Issued

	Number of common shares	$
Balance, December 31, 2022	38,016,216	14,895,840
Fair value of expired stock options	–	20,952
Exercise of warrants	1,761,306	887,528
Fair value of exercised warrants	–	556,694
Fair value of expired warrants	–	598,831
Balance, December 31, 2023	39,777,522	16,959,845
Private placement-units	7,200,000	1,800,000
Fair value of unit warrants issued	–	(514,875)
Share issue costs	–	(39,345)
Fair value of expired warrants	–	3,448,000
Balance, December 31, 2024	46,977,522	21,653,625

Private placement
On March 7, 2024, the Company completed a private placement of 7,200,000 units at a price of $0.25 per unit for gross proceeds of $1,800,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until March 7, 2026. In connection with the private placement, the Company paid cash commissions of $31,955 and legal fees of $7,390. Directors and officers of the Company subscribed for 684,000 units for gross cash proceeds of $25,000 and the settlement of accounts payable of $146,000. Eloro subscribed for 1,200,000 units for gross proceeds of $300,000 in settlement of advances due from the Company.

The fair value of the unit warrants was calculated using the Black-Scholes option pricing model with the following inputs and assumptions:

Issue date	March 7, 2024
Expiry date	March 7, 2026
Warrants issued	3,600,000
Exercise price	$0.50
Share price	$0.35
Risk-free interest rate	4.08%
Expected volatility based on historical volatility	93%
Expected life of warrants	2 years
Expected dividend yield	0%
Forfeiture rate	0%
Fair value	$514,875
Fair value per warrant	$0.14

Stock options
The Company may grant options to its directors, officers, employees and consultants for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2024, there were stock options 4,697,752 (2023 - 3,977,752) authorized to be issued under the stock option plan, of which, 3,935,000 stock options (2023 - 3,935,000) were outstanding.

(expressed in Canadian dollars)

A continuity of the Company's stock options is presented below:

	Weighted-average exercise price	Number of stock options outstanding and exercisable
Balance, December 31, 2022	0.80	3,575,000
Granted	0.64	400,000
Expired	0.75	(40,000)
Balance, December 31, 2023 and December 31, 2024	0.78	3,935,000

A summary of the Company's outstanding stock options is presented below:

	Expiry date	Number of stock options outstanding and exercisable
$0.85	February 3, 2026	830,000
$0.78	December 31, 2027	2,705,000
$0.60	April 24, 2028	150,000
$0.62	July 7, 2028	150,000
$0.72	July 27, 2028	100,000
		3,935,000

The Company granted stock options to directors, officers, employees and consultants. The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions:

Grant date	April 24, 2023	July 7, 2023	July 27, 2023
Expiry date	April 24, 2028	July 7, 2028	July 27, 2028
Stock options granted	150,000	150,000	100,000
Exercise price	$0.60	$0.62	$0.72
Share price	$0.54	$0.52	$0.72
Risk-free interest rate	3.08%	3.98%	4.00%
Expected volatility based on historical volatility	108%	104%	104%
Expected life of stock options	5 years	5 years	5 years
Expected dividend yield	0%	0%	0%
Forfeiture rate	0%	0%	0%
Vesting	On date of grant	On date of grant	On date of grant
Fair value	$62,000	$72,000	$56,000
Fair value per stock option	$0.41	$0.48	$0.56

Warrants

A continuity of the Company's warrants is presented below:

	Weighted-average exercise price $	Number of warrants
Balance, December 31, 2022	0.66	18,199,445
Exercised	0.51	(1,311,306)
Expired	0.50	(2,339,181)
Balance, December 31, 2023	0.70	14,548,958
Issued	0.50	3,600,000
Expired	0.70	(9,583,333)
Balance, December 31, 2024	0.62	8,565,625

(expressed in Canadian dollars)

A summary of the Company's outstanding warrants is presented below:

Exercise price	Expiry date	Number of warrants
$0.70	June 15, 2025	3,716,250
$0.70	June 22, 2025	1,249,375
$0.50	March 7, 2026	3,600,000
		8,565,625

The weighted average remaining contractual life of the outstanding warrants is 0.8 years.

11. Exploration and evaluation

The Company has incurred the following cumulative exploration and evaluation expenditures on its properties:

	Chorrillos $	Big Easy $	Gagnon $	Total $
Balance, December 31, 2022	9,239	6,497,628	3,909,586	10,416,453
Expenditures expensed	1,979,105	37,141	–	2,016,246
Balance, December 31, 2023	1,988,344	6,534,769	3,909,586	12,432,699
Expenditures expensed	360,933	9,574	7,468	377,975
Balance, December 31, 2024	2,349,277	6,544,343	3,917,054	12,810,674

Chorrillos, Bolivia

The incorporating shareholders of Minera Cartier Bolivia S.R.L. ("Minera Cartier") have agreed to transfer a 98% interest in Minera Cartier to the Company for no consideration. The transfer was completed in April 2025. The Company has funded Minera Cartier since its inception. The Company will have the option to increase its interest in Minera Cartier to 99% by purchasing a 1% interest for US$3,000,000.

Pursuant to a definitive agreement dated December 12, 2022 ("Definitive Agreement"), as amended on December 23, 2024, Minera Cartier will have the right to acquire a 100% interest in the Chorrillos Project located in southern Bolivia, comprising two separate properties known as the Gonalbert Mining area (consisting of 10 grids covering 2.5 sq.km) and the Felicidad Mining area (consisting of 4 grids covering 1 sq. km). In order to earn its interest, Minera Cartier must make option payments, as follows:

Deadline	Percentage of capital quotas Acquired	To be acquired	Option payment US$
June 12, 2023 (paid)	–	–	80,000
December 12, 2023 (paid)	30	–	220,000
June 12, 2025 (extended from December 12, 2024)	–	20	500,000
June 12, 2026 (extended from December 12, 2025)	–	20	700,000
June 12, 2027 (extended from December 12, 2026)	–	20	1,000,000
June 12, 2028 (extended from December 12, 2027)	–	10	2,000,000
	30	70	4,500,000

Minera Cartier has acquired 30% of the capital quotas of Empresa Minera Gonalbert S.R.L. and Empresa Minera Segovia S.R.L. (the "Vendors"), who are the registered title holders of the Gonalbert Mining Area and Felicidad Mining Area, pursuant to the Definitive Agreement whereby Minera Cartier completed staged payments aggregating US$300,000 as consideration for 30% of the Vendors' capital quotas.

On November 22, 2022, the Minera Cartier staked additional claims covering 29.25 sq.km (CSB-13 and CSB-1) immediately south and west of the Felicidad and Gonalbert properties and acquired an additional claim (CSB-2) in the same belt about 5 km south of Tupiza, Bolivia. The holdings of Minera Cartier, including areas under option, in the Chorrillos Project now total 69.75 sq.km.

Big Easy, Newfoundland and Labrador
The Company owns a 100% interest in Big Easy consisting of 318 mining claims (2023 - 409 mining claims) covering 80 square kilometres (2023 - 102 square kilometres) located in Newfoundland and Labrador.

Big Easy is subject to a 3% net smelter royalty ("NSR").

Gagnon, Québec
The Company owns a 55% interest in Round Lake (formerly known as Penguin Lake, Black Dan and Aubrey-Ernie) and Jeannine, consisting of 111 claims (2023 - 111 claims) covering 58.75 square kilometres (2023 - 58.75 kilometres) in the Fermont Iron Ore District in the Labrador Trough in northeastern Québec ("Gagnon").

A joint venture was formed between the Company and Champion to incur additional exploration expenditures. If a joint venture partner does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The other joint venture partner will have the option to reduce the royalty from 1% to 0.5% by making a payment of $3,000,000.

In the event that a joint venture partner proposes to acquire any property within 10 kilometres of Gagnon, the acquirer must offer the property at cost to the other party for inclusion in Gagnon.

12. Determination of fair values
A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair values of cash, receivables, accounts payable and accrued liabilities, due to Eloro Resources Ltd. and refundable tax credit assessments payable at December 31, 2024 approximated their respective carrying value due to their short term to maturity.

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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

The Company accounts for its investment in Eloro at fair value using level 1 inputs.

13. Financial risk management
The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is equal to the Company's cash. The Company limits its exposure to credit risk on its cash by holding deposits with high credit quality Canadian chartered bank.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. The continued operation of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the exploration and development of mineral resource properties. Accounts payable and accrued liabilities are subject to normal trade terms.

The following table sets out financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Accounts payable and accrued liabilities $	Due to Eloro Resources Ltd. $	Refundable tax credit assessments payable $	Lease liability $	Total $
–					
Less than 1 year	299,160	23,848	8,742	48,245	379,995
1-5 years	–	–	–	51,723	51,723
Balance, December 31, 2024	299,160	23,848	8,742	99,968	431,718

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk
Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. At December 31, 2024, the Company is exposed to equity price risk on its investment in Eloro (see note 5, *Investment in Eloro Resources Ltd.*). At December 31, 2024, the Company estimates that if the market price of its investment in Eloro had changed by 10%, with all other variables held constant, the fair value would have increased or decreased by $212,000 (2023 - $521,000).

Currency risk
Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. The majority of the Company's cash is held in Canadian dollars and the Company makes expenditures denominated in US dollars and Bolivian bolivianos. At December 31, 2024, the Company had nominal financial instruments denominated in US dollars or Bolivian bolivianos.

Interest rate risk
The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management
Capital of the Company consists of share capital, contributed surplus, warrants and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established 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 Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

(expressed in Canadian dollars)

As the Company is an exploration-stage company and has no revenues, its principal source of capital is from the issuance of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

14. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2023 - 26.5%) to the net loss for the year. The reasons for the difference are as follows:

Provision for income taxes

	2024 $	2023 $
Expected income tax recovery based on statutory rate	(1,173,740)	(1,888,043)
Increase (decrease) resulting from:		
Non-deductible expenses	433,679	590,738
Share issue costs and other	(18,807)	(235,670)
Change in deferred tax assets not recorded	758,868	1,532,975
Deferred income tax recovery	–	–

Deferred income tax balance

The Company's deferred income tax assets are as follows:

	2024 $	2023 $
Non-capital loss carryforward	2,794,000	2,521,000
Capital loss carryforward	2,778,000	2,789,000
Investment in Eloro Resources Ltd.	(84,000)	(507,000)
Canadian exploration and evaluation	1,639,000	1,634,000
Foreign exploration and evaluation	996,000	900,000
Share issue costs	46,000	73,000
	8,169,000	7,410,000
Benefit of deferred tax assets not recorded	(8,169,000)	(7,410,000)
	–	–

Due to losses incurred in the current year and expected future operating results, management determined that it is unlikely that the deferred income tax assets will be realized. Accordingly, the future income tax assets have not been recorded.

(expressed in Canadian dollars)

Losses carried forward

At December 31, 2024, the Company had non-capital loss carryforwards which expire as follows:

	$
2026	306,000
2028	304,000
2029	455,000
2030	269,000
2032	996,000
2033	248,000
2034	354,000
2035	970,000
2036	542,000
2037	653,000
2038	714,000
2039	633,000
2040	595,000
2041	539,000
2042	910,000
2043	1,055,000
2044	1,001,000
	10,544,000

As at December 31, 2024, the Company had resource deductions of $9,934,000 which may be carried forward indefinitely to reduce taxable income in future years and capital losses of approximately $19,158,000 which may be carried forward indefinitely to be applied against capital gains in future years.

15. Related party transactions

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	Years ended December 31,		**Outstanding at December 31,**	
	2024	**2023**	**2024**	**2023**
	$	**$**	**$**	**$**
Consulting fees	300,000	300,000	116,208	218,663
Legal fees	20,908	12,798	3,190	–
Financing bonus	–	–	–	34,891
	320,908	312,798	119,398	253,554

For other related party transactions, see note 5, *Investment in Eloro Resources Ltd.*; note 6, *Right-of-use asset*; note 7, *Due to Eloro Resources Ltd.*; note 9, *Lease liability*; and note 10, *Share capital*.

16. Subsequent event

Transfer of interest in Minera Cartier

On April 2, 2025, the transfer of a 98% interest in Minera Cartier, as described in note 11, *Exploration and evaluation*, *Chorillos, Bolivia*, was completed.