



(An Exploration-Stage Company)

Consolidated Financial Statements

For the Years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)



Independent auditor's report

To the Shareholders of Pacific Ridge Exploration Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Pacific Ridge Exploration Ltd. and its subsidiary (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 for the year ended December 31, 2024. 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment indicators of resource properties</p> <p><i>Refer to note 2 – Summary of material accounting policies and note 4 – Resource properties, to the consolidated financial statements.</i></p> <p>The carrying value of resource properties, comprised of exploration and evaluation assets, amounted to \$4,324,143 as at December 31, 2024. Management applies judgment in reviewing the carrying value of the resource properties for impairment indicators on a quarterly basis, or whenever events or circumstances indicate that their carrying value may not be recovered. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the resource properties is unlikely to be recovered in full from successful development or by</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Evaluated the judgment made by management in assessing the impairment indicators for the resource properties, which included the following:<ul style="list-style-type: none">– Obtained, for all existing claims, by reference to mining licences and permits and licence renewal applications, evidence to support (i) the right to explore the area and (ii) claim expiration dates.– Read the Board of Directors' minutes and obtained budget approvals to evidence continued and planned substantive expenditures on further exploration for and evaluation of mineral resources in specific areas and whether the rights to explore will not be renewed or whether the Company has decided to discontinue exploration and evaluation activities in the area.– Assessed whether the exploration for and evaluation of mineral resources in specific areas have not led to the discovery of commercially viable quantities of mineral resources, or whether sufficient data exists to indicate that the carrying value of resource properties is unlikely to be recovered in full, from successful



sale. During the year ended December 31, 2024, the Company determined not to proceed with its Chuchi South Property and accordingly, recorded an impairment loss of \$61,000 to write down the Chuchi South Property to \$nil. No impairment indicators were identified by management on its other properties as of December 31, 2024.

development or by sale, based on evidence obtained in other areas of the audit.

We considered this a key audit matter due to (i) the significance of the resource properties balance and (ii) the judgments made by management in its assessment of indicators of impairment related to its resource properties, which have resulted in subjectivity in performing audit procedures related to these judgments applied by management.

Other information

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 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 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 Melanie Matthews.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 29, 2025

	Note	December 31, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash		12,095	541,840
Amounts receivable		45,375	80,983
Prepays		48,790	49,241
		106,260	672,064
Equipment and furniture		8,167	9,425
Resource properties	4	4,324,143	4,350,837
Reclamation bonds		78,142	64,642
Right-of-use assets	11	3,909	60,234
		4,520,621	5,157,202
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities		156,146	158,138
Financial liability	4	4,817	249,177
Lease liabilities – current	11	4,203	58,396
Flow-through income tax liability	5	-	162,342
		165,166	628,053
Lease liabilities – long term	11	-	4,317
		165,166	632,370
SHAREHOLDERS' EQUITY			
Share capital	6	66,062,984	63,182,638
Reserves	6	6,011,887	5,752,729
Deficit		(67,719,416)	(64,410,535)
		4,355,455	4,524,832
		4,520,621	5,157,202

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors

/s/ "Bruce Youngman"

Director

/s/ "Blaine Monaghan"

Director & CEO

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

	Note	Year ended, December 31	
		2024	2023
		\$	\$
Administrative expenses			
Amortization	11	61,693	72,619
Finance lease interest	11	2,710	8,322
Insurance		23,114	33,950
Professional and consulting fees		65,684	42,885
Management and administrative	8	398,554	410,678
Office operations and facilities		155,457	124,651
Shareholder communications		162,833	606,971
Share-based payments	6	5,458	549,320
Transfer agent and regulatory fees		73,625	53,320
		949,128	1,902,716
Exploration expenses (income)			
Exploration and evaluation costs	4	2,503,061	7,329,725
Write-off resource property	4	61,000	-
Mining tax credit	7	(31,677)	-
Property option payments		-	(400,000)
		2,532,384	6,929,725
Other expenses (income)			
Interest		(25,669)	(169,091)
Foreign exchange		4,163	3,261
Flow-through tax	5	-	162,342
Amortization of flow-through premium	5	(151,125)	(1,029,704)
		(172,631)	(1,033,192)
Net loss for the year		(3,308,881)	(7,799,249)
Other comprehensive income (loss)			
Change in fair value of marketable securities	3	-	(21,558)
Comprehensive loss for the year		(3,308,881)	(7,820,807)
Basic and diluted loss per common share		(0.21)	(0.66)
Weighted average number of common shares outstanding		15,939,632	11,894,619

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

Pacific Ridge Exploration Ltd.
Consolidated Statements of Changes in Shareholder's Equity
(Expressed in Canadian Dollars)



	Number of common shares	Share Capital	Contributed surplus	Other comprehensive income (loss)	Deficit	Total
		\$	\$	\$	\$	\$
Balance, December 31, 2022	10,396,802	58,086,829	5,340,343	(12,500)	(56,577,228)	6,837,444
Non-flow-through units issued for cash	367,267	661,080	-	-	-	661,080
Shares issued for resource properties	1,769,610	3,677,681	-	-	-	3,677,681
Warrant exercises	405,000	693,645	(82,145)	-	-	611,500
Option exercises	110,000	120,789	(54,789)	-	-	66,000
Share issuance costs	-	(57,386)	-	-	-	(57,386)
Share-based payments	-	-	549,320	-	-	549,320
Unrealized loss on marketable securities	-	-	-	(21,558)	-	(21,558)
Realized loss on sale of marketable securities	-	-	-	34,058	(34,058)	-
Net loss for the year	-	-	-	-	(7,799,249)	(7,799,249)
Balance, December 31, 2023	13,048,679	63,182,638	5,752,729	-	(64,410,535)	4,524,832
Flow-through shares issued for cash	2,371,968	1,847,120	162,500	-	-	2,009,620
Shares issued for resource properties	55,000	11,000	-	-	-	11,000
Flow-through premium	-	(151,125)	-	-	-	(151,125)
Shares issued for cash	1,895,810	1,393,111	65,269	-	-	1,458,380
Share issue costs, cash	-	(220,079)	-	-	-	(220,079)
Share issue costs, finders warrants	-	(46,807)	46,807	-	-	-
Option exercises	25,000	47,126	(20,876)	-	-	26,250
Share-based payments	-	-	5,458	-	-	5,458
Net loss for the year	-	-	-	-	(3,308,881)	(3,308,881)
Balance, December 31, 2024	17,396,457	66,062,984	6,011,887	-	(67,719,416)	4,355,455

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

	December 31, 2024	December 31, 2023
	\$	\$
Cash flows provided by (used in) operating activities		
Loss for the year	(3,308,881)	(7,799,249)
Items not affecting cash:		
Amortization	61,693	72,619
Finance lease interest	2,710	8,322
Share-based payments	5,458	549,320
Unrealized foreign exchange	-	3,901
Property option recovery	-	(400,000)
Interest received	(25,669)	(169,091)
Write-off of resource property	61,000	-
Flow-through tax recovery	(151,125)	(1,029,704)
Changes in non-cash working capital:		
Other receivables	35,608	(32,697)
Prepays	451	(6,521)
Flow-through tax liability	(162,342)	162,342
Trade payables and accrued liabilities	(1,991)	(215,074)
	(3,483,088)	(8,855,832)
Cash flows used in investing activities		
Resource property acquisition costs	(23,306)	(70,368)
Acquisition of equipment and furniture	(4,110)	(5,687)
Proceeds on sale of marketable securities	-	23,275
Proceeds from property option payments	-	400,000
Reclamation bonds	(13,500)	-
Interest received	25,669	169,091
	(15,247)	516,311
Cash flows provided by financing activities		
Proceeds from share issuances	3,468,000	661,080
Share issuance costs	(220,080)	(56,723)
Proceeds from warrant exercises	-	611,500
Proceeds from option exercise	26,250	66,000
Advances received for exploration	(195,000)	2,015,743
Amounts expensed from advances received	(49,360)	(2,151,907)
Finance lease – principal payments	(61,220)	(73,515)
	2,968,590	1,072,178
Effect of foreign exchange translation on cash	-	(3,901)
Change in cash during the year	(529,745)	(7,271,244)
Cash, beginning of year	541,840	7,813,084
Cash, end of year	12,095	541,840
Supplemental cash flow information (Note 14)		

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

1. Nature of operations and going concern uncertainty

Pacific Ridge and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. are in the business of acquiring and exploring resource properties in Canada and the United States. Pacific Ridge is incorporated and domiciled in Canada under the *Business Corporations Act* (British Columbia). The address of its registered office is Suite 1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary capital to finance operations including contributions from future joint venture partners. The carrying value of the Company's mineral properties does not reflect current or future value.

The Company's annual consolidated financial statements have been prepared using accounting principles applicable to a going concern basis, which contemplates that the Company will be able to continue its operations for at least twelve months from December 31, 2024, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business as they come due. The Company has not generated revenue from operations to date and will require additional financing to undertake further advanced exploration of its mineral properties, as well as for general administrative activities and operations. Future operations of the Company are dependent upon its ability to raise additional equity financing and maintain sufficient working capital and upon future production or proceeds from the dispositions of its mineral property interests.

As of December 31, 2024, the Company had cash of \$12,095 and a working deficit of \$58,906, which is calculated as current assets less current liabilities, and accumulated deficit of \$67,719,416. For the year ended December 31, 2024, the Company incurred a net loss of \$3,308,881 and used cash in operating activities of 3,483,088. The Company's operations to date have been financed by the issuance of common shares, the exercise of share purchase warrants, and the exercise of stock options. Despite this, there can be no assurance that the Company will be able to continue to secure additional financings in the future, and if it does, it cannot assure that the terms be favourable. This gives rise to a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern.

These annual consolidated financial statements do not give effect to any adjustments to the carrying values of the assets and liabilities, the reported expenses, and the statements of financial position classifications used that would be necessary should the Company be unable to continue as going concern. Such adjustments could be material.

2. Summary of material accounting policies

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Except for investments carried at fair value through other comprehensive income, these consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, the Company's functional currency.

The consolidated financial statements were approved by the Board of Directors on April 29, 2025.

The summary of material accounting policies used in the preparation of these consolidated financial statements is described below:

a) Accounting standards adopted during the year

The Company has adopted the following new accounting standard and amendments to IFRS:

Amendments to IAS 1, Presentation of Financial Statements on classification of liabilities as current or non-current is effective January 1, 2024, and the Company does not expect the adoption of this amendment will have a significant impact on the consolidated financial statements. This amendment provides a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

b) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. Subsidiaries are entities over which the Company has control. The Company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

The Company's subsidiary is:

Name of subsidiary	Jurisdiction of incorporation	Percent ownership	Principal activity
Pacific Ridge Exploration (US) Inc.	U.S.A.	100%	Mineral exploration

c) Cash and cash equivalents

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

d) Foreign currency translation

The presentation currency and the functional currency of the Company is the Canadian dollar ("C\$"). The Company's foreign currency transactions are translated into the Canadian dollar at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities are translated using period end exchange rates with any gains and losses included in the determination of operating results.

e) Resource property acquisition costs

Resource properties consist of payments to acquire exploration and mining claims, including staking costs, and property option payments. Acquisition costs are capitalized and deferred until such a time as the property is put into production or the property is disposed of either through sale or abandonment, or the property becomes impaired. If a property is put into production the costs of the acquisition will be amortized over the life of the property on a unit-of-production basis based on the estimated proven and probable reserves. Proceeds received from the sale or option of an interest in a property will be credited against the carrying value of the property, with any difference recorded as a gain or loss on sale. Option payments received in excess of the carrying value of a property are recorded as property option payments in the statement of comprehensive income (loss). If a property is abandoned or has become impaired, the acquisition costs will be written off or written down its recoverable amount.

- f) Exploration and evaluation costs
Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Once rights to resource properties are obtained, all direct acquisition-related costs are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.
- g) Government grants and mining tax credits
Government grants and mining tax credits are assistance in cash based on eligible mineral exploration expenditures incurred. Government grants are recorded in profit and loss in the same period as the relevant exploration expenditures when reasonable assurance of their receipt has been obtained.
- h) Flow-through shares
The Company finances a portion of its exploration activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance of flow-through shares, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital. Upon qualifying expenditures being incurred, the premium liability is de-recognized to other income.
- i) Share-based payments
The Company has a stock option plan that is described in note 5. Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods using a graded attribution approach. Share-based payments to non-employees are measured at the fair value of the goods or services received or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. If and when the stock options or warrants are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.
- j) Income taxes
Deferred income tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets or liabilities are calculated using substantively enacted tax rates and laws that are expected to be in effect in the periods in which the deferred income tax assets or liabilities are expected to be settled or realized. Deferred tax assets are recognized only to the extent that it is probable that they will be realized.
- k) Earnings/(loss) per common share
Basic earnings (loss) per share are computed by dividing income (or loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise

of outstanding options and warrants would be anti-dilutive for the periods presented and accordingly, basic and diluted loss per share are the same.

l) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. 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 at FVTOCI. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: The Company has elected to classify investments in equity instruments at FVTOCI and these 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) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets:

Financial asset	Classification
Cash	Amortized cost
Other receivables	Amortized cost
Marketable securities	FVTOCI
Trade payables and accrued liabilities	Amortized cost

m) Impairment

Non-financial assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

n) Leases

At the inception of a contract, the Company assesses whether the 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. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and whether it has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee, the Company recognized a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term or useful life of the asset.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, by the Company's incremental borrowing rate.

o) Estimation uncertainty and accounting policy judgements

The Company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. The following are the areas of estimate and judgment applied by management that most significantly affects the Company's financial statements. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Management applies judgment in reviewing for impairment indicators the carrying value of the resource properties on a quarterly basis, or whenever events or circumstances indicate that their carrying value may not be recovered. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral

resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the resource properties is unlikely to be recovered in full from successful development or by sale. During the year ended December 31, 2024, the Company wrote-off the Chuchi South project as management has determined it will not proceed with this option.

p) New IFRS Accounting standards and interpretations not yet applied

IFRS 18 – Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its ‘operating profit or loss’. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

IFRS 9 – Financial Instruments, and IFRS 7 – Financial Instruments: Disclosures

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7. These amendments updated classification and measurement requirements in IFRS 9 and related disclosure requirements in IFRS 7. 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 financial statements.

The Company has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not yet effective.

3. Marketable securities

The Company owned a portfolio of marketable securities received as part of option payments on properties owned or on option by the Company. During the year ended December 31, 2023, the Company disposed of all of these securities.

The fair value of the marketable securities owned by the Company was as follows:

	Four Nines Gold Inc.		Trifecta Gold Ltd.		Arctic Fox Ventures		Total
	Common Shares		Common Shares		Common Shares		
	Number	Fair Value	Number	Fair Value	Number	Fair Value	Fair Value
	#	\$	#	\$	#	\$	\$
Balance, December 31, 2022	60,000	33,000	200,000	10,000	33,334	1,833	44,833
Loss in fair value of securities	-	(17,558)	-	(3,000)	-	(1,000)	(21,558)
Disposition of securities	(60,000)	(15,442)	(200,000)	(7,000)	(33,334)	(833)	(23,275)
Balance, December 31, 2023 and December 31, 2024	-	-	-	-	-	-	-

4. Resource properties

The Company has interests in mineral properties in British Columbia and Yukon in Canada. A summary of capitalized acquisition costs is as follows:

	Company-owned properties						Properties on option from third parties		Total
	Kliyul BC	Redton BC	Onjo BC	Orbison BC	RDP BC	Mariposa YT	Chuchi BC	Chuchi South BC	
Balance, December 31, 2022	\$ 35,000	\$ 35,000	\$ 410,255	\$ 12,261	\$ 76,949	\$ -	\$ 33,323	\$ -	602,788
Option payments in cash	-	-	-	-	(30,000)	-	-	-	(30,000)
Other payments in cash	-	-	-	-	-	-	16,893	50,000	66,893
Staking costs	31,500	-	1,975	-	-	-	-	-	33,475
Option payments in shares	3,569,181	-	-	-	108,500	-	-	-	3,677,681
Balance, December 31, 2023	3,635,681	35,000	412,230	12,261	155,449	-	50,216	50,000	4,350,837
Option payments in cash	-	-	-	-	-	-	5,000	-	5,000
Other payments in cash	1,425	-	-	-	-	7,840	9,041	-	18,306
Option payments in shares	-	-	-	-	-	-	-	11,000	11,000
Write-off	-	-	-	-	-	-	-	(61,000)	(61,000)
Balance, December 31, 2024	3,637,106	35,000	412,230	12,261	155,449	7,840	64,257	-	4,324,143

In addition to the above capitalized acquisition costs, the Company has incurred the following exploration and evaluation expenses:

Property	Province/ Territory	Years ended December 31	
		2024	2023
		\$	\$
Kliyul	BC	410,547	6,455,804
Chuchi	BC	1,785,381	361,640
Mariposa	YT	88,561	8,894
Redton	BC	110,888	12,630
Chuchi South	BC	9,514	186,051
Onjo	BC	1,534	139,490
Orbison (Gap)	BC	-	3,280
RDP – Portion incurred by the Company	BC	-	-
RDP - Project management fees*	BC	(2,083)	(62,217)
General exploration		98,719	224,153
Total exploration expenses incurred by the Company:		2,503,061	7,329,725

* During the year ended December 31, 2024, \$47,277 were incurred by Antofagasta (2023 - \$1,175,406 plus \$110,000 in a property option payment to the property's underlying owner).

A description of the relevant projects follows:

Company-owned properties:

a. Kliyul and Redton properties, British Columbia

On May 10, 2023, the Company entered into an agreement with AuRico to acquire a 100% interest in the Kliyul copper-gold project ("Kliyul") and the Redton copper-gold project ("Redton") by issuing 1,699,610 common shares at a fair market value of \$2.10 per share to AuRico (the "AuRico Agreement"). This AuRico Agreement replaces an earn-in property agreement (the "Kliyul-Redton Agreement") entered into on January 17, 2020, and amended on April 7, 2020, and on July 22, 2020, with AuRico.

Kliyul is subject to 2% net smelter return royalties. Redton is subject to (i) a 2.5% net smelter return royalty, with the right of reducing it to 1% for \$2,000,000, and (ii) a 2% royalty.

b. Onjo property, British Columbia

On January 27, 2022, the Company entered into an agreement to acquire a 100% interest in the Onjo copper-gold porphyry project ("Onjo") in north-central British Columbia. The Company paid \$50,000 in cash and issued 75,000 common shares with a fair value of \$3.50 per share, equivalent to \$262,500. The vendor of Onjo retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD \$1,500,000.

On February 22, 2022, the Company entered into an agreement to acquire a 100% interest in four internal claims at Onjo by paying \$25,000 cash and issuing 25,000 common shares with a fair value of \$2.65 per share equivalent to \$66,250 to the vendor. With the acquisition of these claims, Pacific Ridge now owns 100% of the claims within the project boundary.

c. Orbison property, British Columbia

The Orbison project (also known as Gap project) is a reconnaissance porphyry Cu-Au exploration project in central British Columbia.

d. RDP Property, British Columbia

On May 3, 2021 (amended on January 14, 2022), the Company entered into an agreement to acquire 100% of the RDP copper-gold porphyry project (“RDP”).

Under the terms of the Agreement, the Company has the option to earn a 100% interest in RDP by making payments as follows:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
5,000	10,000	-	Upon execution and regulatory approval	Completed
10,000	10,000	60,000	November 30, 2021	Completed
30,000	30,000	250,000	December 15, 2022	Completed
80,000	70,000	550,000	December 15, 2023	Completed
125,000	120,000	860,000		

The Company issued the remaining 70,000 shares at a fair market value of \$1.55 per share during the year ended December 31, 2023, and now owns a 100% interest in RDP.

Additionally, the Company will issue 300,000 shares to the vendor on completion of 5,000 m of drilling and an additional 500,000 shares upon defining a 1,000,000 ounces of gold equivalent resource in the inferred or greater category. The property is also subject to a 2% NSR payable to the vendor, half of which can be purchased at any time for \$1.5 million.

On February 10, 2022, the Company entered into an earn-in agreement on RDP (the “Agreement”) with Antofagasta Minerals S.A. (“Antofagasta”), a wholly owned subsidiary of Antofagasta PLC. Antofagasta can earn a 75% interest in RDP by making cash payments in an aggregate amount of \$1,350,000, plus a success payment of \$800,000 upon exercise of the option, and spending \$10,000,000 on exploration over eight years, with a firm commitment to spend \$1,000,000 in year one, and delivering a NI 43-101 compliant preliminary economic assessment report. During the option period, Antofagasta would fund all exploration and Pacific Ridge would be the initial operator.

During the year ended December 31, 2023, Antofagasta provided funding of \$2,015,743 (USD \$1,500,000) based on the projected 2023 project costs. During the same period \$1,979,690 was incurred in exploration expense on behalf of Antofagasta and \$110,000 was used to pay for the Company’s property option payment obligations. The Company charged operator’s fees of \$62,217 during the year.

During the year ended December 31, 2024, Antofagasta terminated the Agreement on the RDP property and will no longer pursue the property. During the year ended December 31, 2024, \$195,000 of Antofagasta advances were applied against expenditures on the project. As at December 31, 2024 the Company has \$4,817 owing to Antofagasta regarding funds they advanced for exploration expenses on the RDP property.

e. Mariposa property, Yukon

The Company acquired a 100% interest in the Mariposa property, Dawson Mining District, Yukon, in 2014. Between September 2016 and March 2019, the property was optioned to Four Nines Gold Inc. (“Four Nines”). The securities referred to in note 3 from Four Nines were received by the Company as part of the option payments.

On December 31, 2022, the Company set up an accrual of \$50,000 for reclamation work. During 2023, reclamation work for \$44,505 was carried out, with the remaining \$5,495 remaining as a liability at December 31, 2024, for further work to be done during 2025.

Company-owned properties sold to third parties

f. Fyre Lake property, Yukon

The Company owned a 100% interest in the Fyre Lake property, located in the Watson Lake Mining District, Yukon. On January 18, 2017, the Company closed an option agreement with BMC Minerals (No. 1) Ltd. (“BMC”), amended on December 19, 2018, on April 10, 2020, December 12, 2021, and on December 20, 2022, whereby BMC had the right to acquire a 100% interest in Fyre Lake by making payments totalling \$3,375,000, which were received between 2017 and 2023. In addition, due to renegotiations, the Company received an additional \$350,000 during that period.

On March 28, 2023, The Company received the final \$400,000 cash payment from BMC. This was BMC’s last payment required to acquire a 100% interest in Fyre Lake. The Company will receive an additional \$1,000,000 if BMC’s Kudz Ze Kayah property reaches a commercial stage for one year. As there was no carrying value for Fyre Lake on the Company’s statement of financial position, these payments were recorded as property option payments on the statement of loss and comprehensive loss.

Third party properties being optioned to the Company

g. Chuchi property, British Columbia

On May 6, 2022, the Company entered into a property earn-in agreement (the “Earn-In Agreement”) with AuRico for the acquisition of up to a 75% interest in the Chuchi porphyry copper-gold project (“Chuchi”). The terms of the option agreement in order to acquire a 51% interest in Chuchi are as follows:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
			Upon Exchange	
10,000	-	-	approval	Paid
-	-	150,000	May 06, 2023	Complete
-	-	750,000	May 06, 2024	Complete
-	-	1,500,000	May 06, 2025	Complete
50,000	200,000	2,600,000	May 06, 2026	
60,000	200,000	5,000,000		

The Company then has the right to increase its interest in Chuchi to 75% by making additional payments as follows:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
50,000	-	1,500,000	May 06, 2027	
50,000	150,000	3,500,000	May 06, 2028	
100,000	150,000	5,000,000		

Various claims are subject to up to 6% in net smelter royalties, which can be brought down to 2.1% through cash payments of up to \$5,000,000. An annual royalty advance of \$20,000 will be paid during the fourth quarter of each year until production is reached.

The Company also paid a finder's fee of \$15,000 on signing of the agreement and will pay \$5,000 every six months thereafter plus 2% on exploration expenditures after certain other property payments have been made.

During the year ended December 31, 2023, the Company incurred \$6,893 in additional staking at Chuchi. During the year ended December 31, 2024 the Company incurred \$14,041 in acquisition costs at Chuchi.

h. Chuchi South property, British Columbia

On March 3, 2023, the Company entered into an Amended and Restated Mineral Property Option Agreement (the "Chuchi South Agreement") pursuant to which the Company can acquire a 51% interest in Chuchi South under the following terms:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
50,000	-	-	On signature	Paid
-	-	150,000	December 31, 2023	Completed
50,000	-	-	February 13, 2024	Completed*
-	55,000	500,000	December 31, 2024	
50,000	-	-	February 13, 2025	
-	-	750,000	December 31, 2025	
50,000	-	-	February 13, 2026	
-	-	1,000,000	December 31, 2026	
50,000	-	-	February 13, 2027	
-	-	1,600,000	December 31, 2027	
250,000	55,000	4,000,000		

* During the year ended December 31, 2024 the Company issued the 55,000 common shares to complete this requirement.

During the year ended December 31, 2024, the Company determined not to proceed with Chuchi South Property and accordingly, recorded an impairment loss of \$61,000 to write down Chuchi South Property to \$Nil.

5. Flow-through

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

	\$
Balance, at December 31, 2022	1,029,704
Settlement of flow-through liability on incurred expenditures	(1,029,704)
Balance at December 31, 2023	-
Liability incurred on flow-through shares issued	162,500
Flow-through issuance costs	(11,375)
Settlement of flow-through liability on incurred expenditures	(151,125)
Balance at December 31, 2024	-

Flow-through income tax liability

The Company had flow-through funds raised through 2022 private placements which were renounced to investors effective December 31, 2022. At December 31, 2022, the Company carried a significant amount of unspent flow-through dollars through the first months of 2023, which resulted in a tax liability pursuant to Part XII.6 of the Income Tax Act of \$162,342. During the year ended December 31, 2024, the Company discharged the 2023 flow-through tax liability stated on the consolidated statement of financial position.

6. Share capital

a. Common Shares

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

During the year ended December 31, 2024, the Company had the following share issuances:

- i) On March 22, 2024, the Company closed the first tranche of a non-brokered private placement originally announced on February 22, 2024, and on March 4, 2024. The Company issued 746,968 flow-through units ("FT Units") at a price of \$0.95 per FT Unit for gross proceeds of \$709,620. The Company also issued 1,207,250 non-flow-through units ("NFT Units") at a price of \$0.80 per NFT Unit for gross proceeds of \$965,800.

Each FT Unit is comprised of one common share of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$1.20 any time on or before March 22, 2026. The Company incurred share issuance costs for this private placement of \$83,781. The warrants were fair valued at \$nil using the residual value method and allocated a FT premium of \$nil based on the share price on the date of issuance.

- ii) On April 4, 2024, the Company closed the second and final tranche of a non-brokered private placement originally announced on March 4, 2024. The Company issued 105,875 NFT Units for gross proceeds of \$84,700. The Company incurred an additional \$23,108 in cash share issuance costs relating to the first and second tranches. The Company fair valued the warrants at \$nil using the residual value method.

iii) On June 7, 2024, the Company closed the first tranche of a non-brokered private placement, originally announced on May 23, 2024. The Company issued 1,625,000 FT Units at a price of \$0.80 per FT Unit for gross proceeds of \$1,300,000. The Company also issued 547,686 NFT Units at a price of \$0.70 for gross proceeds of \$383,380. The Company incurred total cash issue costs of \$111,775. Each FT Unit consists of one FT Share and one common share purchase warrant and each NFT Unit consists of one common share and one common share purchase warrant. The warrants have an exercise price of \$1.20 and expire on June 7, 2026. The Company valued the warrants at \$217,269 using the residual value method.

The Company recorded a flow-through premium on the FT Units of \$161,500 offset by the allocation of \$11,375 of share issuance costs. The Company also issued 136,738 finder's warrants with each warrant being exercisable at \$0.70 per warrant, expiring on June 7, 2024. The Company fair valued the finder's warrants at \$46,807 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 3.93%; expected volatility – 115.62%, useful life – 2 years; forfeiture rate – nil, expected dividends – nil.

iv) On August 6, 2024, the Company closed the second tranche of a non-brokered private placement, originally announced on May 23, 2024. The Company issued 35,000 non-flow-through units ("NFT Units") at a price of \$0.70 per NFT Unit for gross proceeds of \$24,500. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$1.20 any time on or before December 7, 2024. The Company incurred share issuance costs of \$1,416.

v) On November 12, 2024, the Company issued 55,000 common shares with a fair value of \$0.20 per share (equivalent to \$11,000) for the acquisition of Chuchi South property (note 4(h)).

vi) During the year ended December 31, 2024, the Company issued 25,000 shares for gross proceeds of \$26,250 pursuant to the exercise of stock options, the share price on the date of exercise was \$1.10. The Company reclassified \$20,876 of contributed surplus to share capital upon exercise of the options.

During the year ended December 31, 2023, the Company had the following share issuances:

- a. During December of 2023, the Company received cash proceeds of \$45,000 on exercise of 90,000 stock options with an exercise price of \$0.50 per share, and \$21,000 upon exercise of 20,000 stock options with an exercise price of \$1.05 per share (note 4(c)).
- b. On November 30, 2023, the Company issued 70,000 common shares with a fair value of \$1.55 per share (equivalent to \$108,500) for the final acquisition of the RDP property (note 4(d)).
- c. On September 28, 2023, the Company closed a non-brokered private placement by issuing 367,267 units at a price of \$1.80 per unit for gross cash proceeds of \$661,080. Each unit consists of one common share and one share purchase warrant, with each warrant entitling its owner to acquire an additional common share at an exercise price of \$2.70 per share for a period of two years. The Company paid 6% finder's fee to certain parties amounting to \$16,864. Other share issuance costs related to this placement amounted to \$12,536. The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed no fair value to the warrant portion of the units issued to investors.
- d. On May 19, 2023, 1,699,610 common shares were issued for the acquisition of a 100% stake in the Kliyul and Redton properties (note 4(a)), at a fair value of \$2.10 per share.

- e. On April 27, 2023, 5,000 common shares were issued on exercise of share purchase warrants with an exercise price of \$2.30 per share for cash proceeds of \$11,500.
- f. On February 27, 2023, the Company received cash proceeds of \$600,000 on exercise of 400,000 share purchase warrants with an exercise price of \$1.50 per share.

b. Share Purchase Warrants

A summary of the warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2022	3,382,617	3.20
Issued	367,266	2.70
Exercised	(405,000)	1.50
Expired	(425,000)	2.30
Balance, December 31, 2023	2,919,883	3.49
Issued	4,404,517	1.19
Expired	(2,552,617)	3.61
Balance, December 31, 2024	4,771,783	1.30

As at December 31, 2024, the summary of warrants outstanding and exercisable are as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
	\$	
367,266	2.70	September 28, 2025
1,954,218	1.20	March 22, 2026
105,875	1.20	April 5, 2026
2,172,686	1.20	June 7, 2026
22,988	0.70	June 7, 2026
113,750	0.70	August 6, 2026
35,000	1.20	August 6, 2026
4,771,783	1.30	

c. Stock Options

The Company has a stock option plan in place authorizing the granting of stock options to qualified optionees to purchase a total of up to 10% of the then issued and outstanding common shares of the Company. Stock options generally are granted for a maximum term of five years and expire 90 days following the termination of the optionee's agreement. The exercise price for the options is set at the closing market price of the common shares on the grant date. The vesting periods of options vary with terms determined by the board of directors.

On February 1, 2023, the Company granted an aggregate of 257,500 stock options to various directors, officers, employees, and consultants of the Company. Each option entitles its holder to purchase one

common share of the Company at an exercise price of \$3.00 per share for a period of five years. The options granted to various directors, officers and employees vested immediately. 30,000 options that were granted to investor relations consultants will vest 25% each quarter over a 12-month period. The fair value of options granted was estimated at \$549,320 at the grant date based on the Black-Scholes option-pricing model, using the following assumptions:

	2023
Risk-free interest rate	2.93%
Dividend yield	Nil
Expected life	5 years
Volatility	109.89%
Weighted average fair value per options	0.213

During the year ended December 31, 2024, the Company recorded share-based payments expense of \$5,458 (2023 - \$549,320).

Stock option transactions and the number of stock options outstanding and exercisable are summarized below:

	Number of Share Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2022	680,000	2.20
Granted	257,500	3.30
Exercised	(110,000)	0.60
Expired	(20,000)	0.70
Balance, December 31, 2023	807,500	2.70
Exercised	(25,000)	1.10
Expired	(45,000)	2.64
Forfeited	(50,000)	3.19
Balance, December 31, 2024	687,500	2.69

Stock options outstanding and exercisable are as follows:

Number of Share Options Exercisable	Exercise Price	Expiry Date
	\$	
75,000	0.50	March 16, 2025
25,000	0.75	October 22, 2025
40,000	1.05	March 9, 2026
80,000	2.50	July 15, 2026
220,000	3.60	May 12, 2027
30,000	3.60	June 14, 2027
217,500	3.00	February 1, 2028
687,500	2.69	

7. Government grants and tax credits

During the year ended December 31, 2024, the Company received \$31,677 corresponding to the British Columbia Mining and Exploration Tax Credit (“BCMETC”) corresponding to qualifying exploration expenses incurred during 2022.

8. Related parties

Related parties include the board of directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

The Company has no compensation arrangements with its board of directors other than non-cash stock option grants. In the case of senior officers of the Company, which include the President & CEO, and the CFO, the Company provides certain compensation for termination without cause and for a change of control of the Company.

Key management includes the board of directors and executive officers.

Compensation awarded to key management is listed below:

	2024	2023
	\$	\$
Management fees Chairman	36,240	110,000
Management fees CEO	205,892	217,875
Management fees CFO	89,000	92,000
Share-based payments	-	347,613
	331,132	767,488

All related party transactions were in the normal course of business and as at December 31, 2024 the Company had \$38,308 (2023 - \$nil) owing to related parties.

9. Capital management

The Company’s objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore the various properties for the benefits of its shareholders. The Company’s operations have been and will continue to be funded by the sale of equity to investors.

The Company’s capital includes the components of shareholders’ equity. Capital requirements are driven by the Company’s exploration activities on its mineral property interests and associated administration expenses. To effectively manage the Company’s capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company monitors actual expenses relative to the approved budget on all exploration projects and overheads to manage costs, commitments, and exploration activities. There were no changes in the Company’s approach to capital management during the year ended December 31, 2024.

10. Financial instruments

Fair values

As at December 31, 2024, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities are measured at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. However, due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited at one of Canada's largest banks with an AA rating, federally insured, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At December 31, 2024, the Company had cash of \$12,095 (2023 - \$541,840), trade payable and accrued liabilities of \$156,146 (2023 - \$158,138), a financial liability of \$4,817 (2023 - \$249,177) corresponding to cash provided by Antofagasta Minerals for exploration at RDP (note 4(d)), a flow-through related tax liability of \$nil (2023 - \$162,342), and lease liabilities of \$4,204 (2023 - \$62,713). At December 31, 2024, there exists material uncertainty with respect to the Company's ability to continue as a going concern. Refer to Note 1 of these consolidated financial statements.

Currency risk

As at December 31, 2024, the Company kept less than 1% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by an immaterial amount.

Price risk

As the Company no longer holds any marketable securities (note 3), there is no price risk at December 31, 2024.

11. Right-of-use assets and lease liabilities

The Company recognizes lease liabilities in relation to a sublease agreement for office space, and a lease for a truck used for assisting Company personnel in exploration activities.

An office sublease agreement was entered into on February 1, 2023, with a term ending on August 31, 2024. The office lease liability is measured at the present value of the remaining lease payments starting on February 1, 2023, by using the Company's incremental borrowing rate. The weighted average incremental

borrowing rate applied to the office lease liability was 10%. The associated lease liability recognized as at February 1, 2023, was \$96,627.

An associated right-of-use asset for the office lease was measured at the amount equal to the lease liability on February 1, 2023. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

On April 1, 2023, a truck was leased for support of exploration activities. The term of the truck lease ends on March 31, 2025. The weighted average incremental borrowing rate applied to the truck lease liability was 8.49% as per the corresponding lease contract. The associated truck lease liability recognized as at April 1, 2023, was \$31,278, with a corresponding right-of-use asset being depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The following table summarizes the lease transactions:

	December 31, 2024	December 31, 2023
	\$	\$
Balance, beginning of year	62,713	-
Additions	-	127,906
Lease payments	(61,220)	(73,515)
Interest expense	2,710	8,322
	4,203	62,713
Less: current portion of lease liability	(4,203)	(58,396)
Non-current portion of lease liability	-	4,317

	December 31, 2024	December 31, 2023
	\$	\$
Value of right-of-use asset	60,234	-
Setup of new right-of-use asset	-	127,905
Amortization	(56,325)	(67,671)
Value of right-of-use asset	3,909	60,234

The Company recorded \$61,693 of amortization of which \$5,368 is for depreciation of equipment and furniture.

12. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at December 31, 2024, and throughout 2023, all of the Company's non-current assets were held in Canada.

13. Income Taxes

Reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax (recovery) expense for the years ended December 31, 2023 and 2022 is as follows:

	2024	2023
	\$	\$
Loss for the year	(3,308,881)	(7,799,249)
Statutory tax rate	27%	27%
Expected income tax expense	(893,398)	(2,105,797)
Change in statutory rate	-	-
Non-deductible expense	22,039	169,725
Change in unrecognized deferred income tax benefits	871,359	1,936,072
Income tax expense	-	-

An unrecognized deferred income tax asset of approximately \$7,007,642 arises from the following:

	2024	2023
	\$	\$
Non-capital loss carryforwards	1,977,844	1,641,945
Capital loss carryforwards	5,740	5,740
Mineral property	4,757,656	4,604,634
Deferred financing costs	266,402	313,820
Total unrecognized deferred income tax assets	7,007,642	6,566,139

The Company has not recorded potential deferred income tax assets as it is more likely than not that the deferred tax assets will not be recognized.

At December 31, 2024, included in the computation of the deferred tax assets noted above, the Company had approximately \$7,325,347 of losses available for carry-forward from \$25,185,612 of resource pools.

The loss carry-forward can be offset against income for Canadian income tax purposes in future years and will expire between 2029 and 2044 as below:

2029	153,737
2030	239,449
2031	183,166
2032	76,150
2033	100,133
2034	785,069
2035	227,119
2036	251,004
2037	233,502
2038	241,016
2039	224,646
2040	237,734
2041	954,260
2042	1,544,249
2043	652,843
2044	1,221,270
	7,325,347

14. Supplementary information with respect to cash flows

	2024	2023
Non-cash investing activities		
Shares issued for resource properties	(11,000)	(3,677,681)
Non-cash financing activities:		
Value transfer on option exercises	20,876	-
Share issuance costs incurred through trade payables and accrued liabilities	-	(633)

15. Subsequent events

On January 23, 2025, the Company consolidated its outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation common share. All historical amounts have been re-stated to reflect the share consolidation.

On March 28, 2025, the Company closed the first tranche of its non-brokered private placement by issuing 1,632,430 units at a price of \$0.14 per unit and 618,823 critical mineral flow-through units at a price of \$0.17 per unit for gross proceeds of \$333,740.