WESTHAVEN GOLD CORP.
(An Exploration Stage Company)

Financial Statements
December 31, 2024 and 2023
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF WESTHAVEN GOLD CORP.

Opinion

We have audited the financial statements of Westhaven Gold Corp. (the "Company"), which comprise:

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

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $2,576,471 for the year ended December 31,2024 and, as of that date, had an accumulated deficit of $13,440,543. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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 information included in Management's Discussion and Analysis.

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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 Management's Discussion and Analysis 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 IFRS Accounting 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 Hervé Leong-Chung.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 16, 2025

WESTHAVEN GOLD CORP.
(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2024	December 31, 2023
Assets		
Current		
Cash and cash equivalents (note 3)	$ 2,698,525	$ 1,223,184
Other receivables (note 9)	75,913	118,645
BCMETC receivable (notes 7)	-	420,000
Prepaid expenses	32,150	16,801
	2,806,588	1,778,630
Reclamation Deposits (note 7)	135,000	135,000
Property and Equipment (note 5)	304,094	269,010
Right-of-Use Assets (note 6)	37,291	166,381
Mineral Properties (note 7)	36,855,645	30,596,239
	$ 40,138,618	$ 32,945,260
Liabilities		
Current		
Accounts payable and accrued liabilities (note 9)	$ 434,558	$ 331,220
Current portion of lease liability (note 6)	36,838	120,099
Current portion of equipment loan (note 5)	27,110	28,445
Flow-through share liability (notes 8 and 12)	543,650	-
	1,042,156	479,764
Non-current Portion of Lease Liability (note 6)	-	51,739
Non-current Portion of Equipment Loan (note 5)	34,949	62,058
Deferred Income Tax Liability (note 10)	1,918,731	769,947
	2,995,836	1,363,508
Shareholders' Equity		
Capital Stock (note 8)	45,335,503	38,452,515
Reserves (note 8)	5,247,822	4,862,832
Deficit	(13,440,543)	(11,733,595)
	37,142,782	31,581,752
	$ 40,138,618	$ 32,945,260

Note 1 – Nature of Operations and Going Concern
Note 14 – Subsequent Events

These financial statements are signed on behalf of the Board of Directors by:

"Hannah McDonald" (signed) *"Gareth Thomas" (signed)*

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

WESTHAVEN GOLD CORP.
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Years Ended December 31,	**2024**	**2023**
Expenses		
Salary and benefits (note 9)	$ 811,940	$ 817,075
Advertising and promotion	229,128	647,266
Share-based payments (notes 8(d) and 9)	392,000	478,125
Professional fees	310,604	263,437
Travel	70,172	86,473
Rent (note 9)	73,464	72,920
Regulatory and filing fees	75,334	51,329
General and administrative (note 9)	37,577	36,185
Interest and bank charges (notes 5 and 6)	105,882	29,418
Amortization (note 5)	48,159	27,856
Insurance	12,786	26,088
	(2,167,046)	(2,536,172)
Premium on flow-through shares (note 12)	947,188	486,992
Interest income	12,130	183,933
Loss Before Deferred Income Tax	(1,207,728)	(1,865,247)
Deferred Income Tax Expense (note 10)	(1,368,743)	(769,947)
Net Loss and Comprehensive Loss for Year	$ (2,576,471)	$ (2,635,194)
Basic and Diluted Loss Per Share	$ (0.02)	$ (0.02)
Weighted Average Number of Common Shares Outstanding	149,415,098	132,570,333

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

WESTHAVEN GOLD CORP.
(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock		Reserves				
	Common Shares	Amount	Warrants	Options	Total Reserves	Deficit	Total Shareholders' Equity
Balance, December 31, 2022	139,490,756	$ 38,179,713	$ 1,496,495	$ 5,121,048	$ 6,617,543	$ (11,519,611)	$ 33,277,645
Exercise of options	1,095,589	272,802	-	(119,419)	(119,419)	-	153,383
Share-based payments	-	-	-	785,918	785,918	-	785,918
Expiration of options	-	-	-	(2,421,210)	(2,421,210)	2,421,210	-
Net loss for the year	-	-	-	-	-	(2,635,194)	(2,635,194)
Balance, December 31, 2023	140,586,345	$ 38,452,515	$ 1,496,495	$ 3,366,337	$ 4,862,832	$ (11,733,595)	$ 31,581,752
Non-flow through shares issued for cash	10,000,000	1,400,000	100,000	-	100,000	-	1,500,000
Flow-through shares issued for cash	36,234,582	5,852,692	517,046	-	517,046		6,369,738
Share issue costs	-	(814,663)	-	-	-	-	(814,663)
Share issue costs (non-cash)	-	-	54,467	-	54,467		54,467
Share issue costs, deferred tax benefit	-	219,959	-	-	-	-	219,959
Shares issued for mineral properties	1,500,000	225,000	-	-	-	-	225,000
Share-based payments	-	-	-	583,000	583,000	-	583,000
Expiration of options	-	-	-	(869,523)	(869,523)	869,523	-
Net loss for the year	-	-	-	-	-	(2,576,471)	(2,576,471)
Balance, December 31, 2024	188,320,927	$ 45,335,503	$ 2,168,008	$ 3,079,814	$ 5,247,822	$ (13,440,543)	$ 37,142,782

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

WESTHAVEN GOLD CORP.
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

Years Ended December 31,	2024	2023
Operating Activities		
Net loss for year	$ (2,576,471)	$ (2,635,194)
Items not involving cash		
Premium on flow-through shares	(947,188)	(486,992)
Share-based payments	392,000	478,125
Amortization	48,159	27,856
Accrued interest	8,342	20,523
Deferred income tax	1,368,743	769,947
	(1,706,415)	(1,825,735)
Changes in non-cash working capital		
Other receivables	42,732	98,821
Prepaid expenses	(15,349)	(16,801)
Accounts payable and accrued liabilities	35,443	46,909
Cash Used in Operating Activities	(1,643,589)	(1,696,806)
Financing Activities		
Issuance of non-flow-through common shares	1,500,000	-
Issuance of flow-through common shares	7,860,577	-
Share issue costs	(760,196)	-
Exercise of options	-	153,383
Repayment of lease obligations	(100,000)	(116,000)
Repayment of loan	(28,445)	(27,621)
Cash Provided by Financing Activities	8,471,936	9,762
Investing Activities		
Expenditures on mineral properties, net of BCMETC	(5,227,025)	(4,708,465)
Short-term investments	-	4,000,000
Expenditures on property and equipment	(125,981)	(157,082)
Expenditures on reclamation deposits	-	(35,000)
Cash Used in Investing Activities	(5,353,006)	(900,547)
Increase (Decrease) in Cash and Cash Equivalents	1,475,341	(2,587,591)
Cash and Cash Equivalents, Beginning of the Year	1,223,184	3,810,775
Cash and Cash Equivalents, End of the Year	**$ 2,698,525**	**$ 1,223,184**
Supplemental Cash Flow Information		
Mineral properties included in accounts payable	$ 286,061	$ 218,166
BCMETC receivable included in mineral properties	$ -	$ 420,000
Share-based payments included in mineral properties	$ 191,000	$ 307,793
Shares issued for mineral properties	$ 225,000	$ -
Amortization included in mineral properties	$ 128,486	$ 146,655
Right-of-use assets and lease liabilities recognized/derecognized	$ (43,342)	$ 86,684
Interest paid	$ 10,281	$ 3,407
Taxes paid	$ -	$ -

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

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1. NATURE OF OPERATIONS AND GOING CONCERN

Westhaven Gold Corp. (the "Company") is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia and commenced operations on May 5, 2010. The Company is engaged in the acquisition and exploration of mineral properties in Canada.

The head office and records office of the Company is located at 1056 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with IFRS Accounting Standards on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business.

The Company has sustained recurring losses and negative cash flows from operations. During the year ended December 31, 2024, the Company incurred a net loss of $2,576,471 (2023 - $2,635,194) and, as of that date, had an accumulated deficit of $13,440,543 (2023 - $11,733,595). The Company has ongoing requirements for capital investment for its mineral property interests. The Company will need to raise substantial additional capital through equity financing, the sale of additional royalties, or the sale of mineral property interests to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities, and maintain its mineral property interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these mineral property interests, and establish future profitable production, or realize proceeds from the disposition of mineral interests. The carrying value of the Company's mineral property interests does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. Also, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company's functional and presentation currency is the Canadian dollar.

(b) Approval of the financial statements

The financial statements of the Company as at December 31, 2024 and 2023 and for the years then ended were approved and authorized for issue by the Board of Directors on April 16, 2025.

(c) Use of judgments and estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Share-based payments</u>

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

2. BASIS OF PRESENTATION (Continued)

(c) Use of judgments and estimates (continued)

Critical accounting estimates (continued)

Estimate of deferred tax liability

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's minerals properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities, and existing permits.

Going concern

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

Mining exploration tax credits and flow-through expenditures

The Company is entitled to refundable tax credits on qualified mining exploration expenses incurred in the province of British Columbia. Management's judgment is applied in determining whether the mining exploration expenses are eligible for claiming such credits. Those benefits are recognized when the Company estimates that it has reasonable assurance that the tax credits will be realized. Upon review of the mining exploration tax credit claim by the Canada Revenue Agency, any adjustments to the estimate made by the Company are recorded in the period of the tax assessment.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualifying expenditures have been incurred. Differences in judgment between management and regulatory authorities could materially decrease mining exploration tax credits or increase the flow-through share premium liability and flow-through expenditure commitment.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES

(a) Cash and cash equivalents

The breakdown of cash and cash equivalents at December 31, 2024 and 2023 is as follows:

	2024	2023
Cash	$ 2,698,525	$ 223,184
GIC	-	1,000,000
Total Cash and Cash Equivalents	$ 2,698,525	$ 1,223,184

As at December 31, 2023, the Company held $1,000,000 in a GIC which matured on January 31, 2024. At maturity, the Company received interest income of $8,135.

(b) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- The asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company classifies other receivables (net GST) and reclamation deposits as measured at amortized cost.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

Financial assets measured at fair value through other comprehensive income (“FVTOCI”)

A financial asset measured at FVTOCI is measured at fair value with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized, or its fair value substantially decreases.

There are no financial assets classified as measured at FVTOCI.

Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies cash and cash equivalents as FVTPL.

(ii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The contractual rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled, or when it expires. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

The Company classifies accounts payable and accrued liabilities, lease liability, and the equipment loan as measured at amortized cost. There are no financial liabilities classified as measured at FVTPL.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Financial instruments (continued)

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as level 1 in the fair value hierarchy are cash and cash equivalents. The carrying value of other receivables (net GST) and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity. The carrying values of the equipment loan and lease liabilities approximate fair value as they are estimated using applicable interest rates.

(c) Property and equipment

Property and equipment are carried at cost less accumulated amortization. Amortization is calculated using the declining-balance and straight-line methods applying the following annual rates:

Computer equipment and software	30%
Furniture and equipment	20%
Vehicles	30%

(d) Mineral properties

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and classified as a component of mineral properties.

Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs including drilling costs directly attributable to a property, analytical analysis, and directly attributable general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of net smelter return royalties ("NSRs") are recorded as an offset to the cost of the associated mineral properties. After costs are recovered, the balance of the payments received is recorded as a gain on option, NSR, or disposition of mineral property.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Mineral properties (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

(e) Impairment of non-current assets

At the end of each reporting period, the Company's non-current assets are reviewed to determine whether there is any indication that those assets may be impaired. If an indication of impairment exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(f) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Income taxes (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(g) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees, and consultants. The fair value of share-based payments to employees is measured at grant date using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those unexercised options and share purchase warrants that expired, the recorded value is transferred to deficit.

The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors:

- Exercise price
- Expected life
- Expected volatility
- Forfeiture rate
- Current market price of underlying shares
- Risk-free interest rate
- Dividend yield

(h) Earnings or loss per share

Earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Under this method, the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Flow-through shares

When a financing involving flow-through shares closes, the Company allocates the gross proceeds received using the residual method as follows:

- Capital stock – the market value of the common shares;
- Warrant reserve – if warrants are being issued, up to the amount calculated using the Black-Scholes option pricing model; and
- Flow-through share liability – the residual amount being the estimated premium, if any, investors pay for the flow-through feature, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to mineral properties and the flow-through share liability is amortized to the statement of loss and comprehensive loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has incurred those expenditures at any time (before or after the end of the reporting period).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

(j) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market value of the common shares at the time the units are priced, and any excess is allocated to warrants.

(k) Mining exploration tax credits

The Company recognizes mining exploration tax credits in the period in which the related exploration expenses were incurred and collectability is reasonably assured. The mining exploration tax credits are capitalized to offset the cost of mineral properties.

(l) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract 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.

3. MATERIAL ACCOUNTING POLICIES (Continued)

(l) Leases (continued)

The Company, as lessee, is required to recognize a right-of-use asset (“ROU asset”), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 *Leases* (“IFRS 16”) to leases with a term of less than 12 months or to low value assets, which is made on an asset-by-asset basis.

The Company recognizes an ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses, and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The 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, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Company is reasonably certain to exercise;
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss the in the period in which they are incurred.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk and maximum exposure thereto exists with respect to the Company's cash and cash equivalents as amounts are held with a single major Canadian financial institution.

(b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At December 31, 2024, the Company had cash and cash equivalents in the amount of $2,698,525 (2023 - $1,223,184) available to offset current liabilities of $1,042,156 (2023 - $479,764). All third-party liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2024. The current portions of the lease liability and equipment loan are due within a year. The amount of the Company's remaining undiscounted contractual maturities for the lease liability and equipment loan is approximately $110,000 (2023 - $282,000). These amounts are due between one to three years (note 12).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk, and other price risk.

The Company is not exposed to significant market risk.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

Cost		**Computer Equipment and Software**		**Furniture and Equipment**		**Vehicles**		**Leasehold Improvements**		**Total**
As at December 31, 2022	$	75,558	$	57,037	$	159,644	$	48,393	$	340,632
Additions		104,450		52,632		-		-		157,082
Disposals	-	-		-		-		(48,393)		(48,393)
As at December 31, 2023		180,008		109,669		159,644		-		449,321
Additions		86,423		39,558		-		-		125,981
As at December 31, 2024	$	266,431	$	149,227	$	159,644	$	-	$	575,302
Accumulated Amortization										
As at December 31, 2022	$	35,847	$	32,168	$	37,980	$	48,393	$	154,388
Charge		27,580		10,237		36,499		-		74,316
Disposals	-	-		-		-		(48,393)		(48,393)
As at December 31, 2023		63,427		42,405		74,479		-		180,311
Charge		47,938		17,409		25,550		-		90,897
As at December 31, 2024	$	111,365	$	59,814	$	100,029	$	-	$	271,208
Carrying Value										
As at December 31, 2023	$	116,581	$	67,264	$	85,165	$	-	$	269,010
As at December 31, 2024	**$**	**155,066**	**$**	**89,413**	**$**	**59,615**	**$**	**-**	**$**	**304,094**

5. PROPERTY AND EQUIPMENT (Continued)

During the year ended December 31, 2021, the Company entered into a loan agreement for the purchase of equipment for $18,246 payable over four years with an interest rate of 0%. The current portion of the equipment loan at December 31, 2024 is $2,190 (2023 - $4,379). The loan is secured by the equipment purchased.

During the year ended December 31, 2022, the Company entered into a loan agreement for the purchase of equipment totaling $122,103 payable over five years with an interest rate of 3.49%. The current portion of the equipment loan at December 31, 2024 is $24,920 (2023 - $24,066). The loan is secured by the equipment purchased.

During the year ended December 31, 2024, the Company capitalized $42,738 (2023 - $46,460) of property and equipment amortization to mineral properties.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

During the year ended December 31, 2022, the Company renewed two lease agreements for a term of three years for storage facilities related to the Company's Shovelnose Gold Property in Merritt, British Columbia. These lease liabilities were measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 10% per annum. Upon entering into the lease agreements, the Company recognized $215,798 for an ROU asset and $215,798 for a lease liability.

During the year ended December 31, 2023, the Company entered into a lease agreement for a term of two years for facilities related to the Company's Shovelnose Gold Property in Merritt, British Columbia. The lease liability was measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 10% per annum. Upon entering into the lease agreements, the Company recognized $86,684 for an ROU asset and $86,684 for a lease liability.

(Expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (Continued)

Right-of-use assets		
Value of right-of-use asset as at December 31, 2022	$	179,892
Additions		86,684
Amortization		(100,195)
Value of right-of-use assets as at December 31, 2023	**$**	**166,381**
Additions		-
Amortization		(85,748)
Lease cancellation		(43,342)
Value of right-of-use assets as at December 31, 2024	**$**	**37,291**

Lease liability		
Lease liability recognized as at December 31, 2022	$	180,631
Additions		86,684
Lease payments		(116,000)
Lease interest		20,523
Lease liability recognized as at December 31, 2023		**171,838**
Lease payments		(100,000)
Lease interest		8,342
Lease cancellation		(43,342)
Lease liability recognized as at December 31, 2024	**$**	**36,838**
Current portion	$	36,838
Non-current portion		-
	$	**36,838**

During the year ended December 31, 2024, $85,748 (2023 - $100,195) of amortization of ROU assets was capitalized to the Company's mineral properties and a 24-month lease initially recognized as an ROU asset and lease liability of $86,684 in the prior year was cancelled after 12 months. As a result of this cancellation, the ROU asset and lease liability were reduced by $43,342.

(Expressed in Canadian Dollars)

7. MINERAL PROPERTIES

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Talisker Claims Property	Total
Balance, December 31, 2022	$ 21,788,606	$ 756,298	$ 1,251,352	$ 144,557	-	$ 23,940,813
Deferred exploration costs						
Acquisition costs	411,780	4,734	15,408	24,032	-	455,954
Geological and assays	1,566,543	105,848	55,043	255,955	-	1,983,389
Drilling	3,319,576	-	-	-	-	3,319,576
Lab fees	791,600	2,327	28,398	39,734	-	862,059
Share-based payments	307,793	-	-	-	-	307,793
Amortization	146,655	-	-	-	-	146,655
Total additions during the year	6,543,947	112,909	98,849	319,721	-	7,075,426
BCMETC (mining tax credits)	(420,000)	-	-	-	-	(420,000)
Net change during the year	6,123,947	112,909	98,849	319,721	-	6,655,426
Balance, December 31, 2023	**27,912,553**	**869,207**	**1,350,201**	**464,278**	**-**	**30,596,239**
Deferred exploration costs						
Acquisition costs	52,792	13,300	1,745	5,871	249,077	322,785
Geological and assays	1,894,859	136,668	81,718	21,824	78,681	2,213,750
Drilling	2,820,246	3,118	-	-	-	2,823,364
Lab fees	540,505	33,862	-	1,676	3,978	580,021
Share-based payments	191,000	-	-	-	-	191,000
Amortization	128,486	-	-	-	-	128,486
Total additions during the year	5,627,888	186,948	83,463	29,371	331,736	6,259,406
Balance, December 31, 2024	**$ 33,540,441**	**$ 1,056,155**	**$ 1,433,664**	**$ 493,649**	**$ 331,736**	**$ 36,855,645**

7. MINERAL PROPERTIES (Continued)

Amounts capitalized as mineral property costs are as follows:

(a) Shovelnose Gold Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the "Shovelnose Agreement") with Cornish Metals Inc. (formerly Strongbow Exploration Inc.) ("Cornish") whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Cornish in 2005 and 2008. At the time of the transaction, the Company and Cornish had a director in common.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Cornish and incurring $1,500,000 ($750,000 incurred) in exploration expenditures on the property.

On September 1, 2015, the Company entered into a new purchase agreement with Cornish to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement, the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued). In addition, Cornish was granted a 2% net smelter returns royalty ("NSR") on the property. The Company retains the right to reduce the NSR to 1% by paying Cornish $500,000 at any time prior to the commencement of commercial production.

The Company has a reclamation deposit of $75,000 (2023 - $75,000) held with the Ministry of Finance relating to exploration activities completed on the Shovelnose Gold Property.

(b) Prospect Valley Gold Property, British Columbia, Canada

On September 21, 2015, the Company entered into an option and purchase agreement with Green Battery Minerals Inc. ("Green Battery") to acquire a 70% interest in the Prospect Valley Gold Property near Merritt. The Company paid $20,000 to Green Battery upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of $80,000 and issued 500,000 common shares at a price of $0.065 per share.

On February 16, 2016, the Company acquired the remaining 30% interest in the property for a cash payment of $40,000 and the issue of 500,000 common shares at a price of $0.07 per share.

The Company has a reclamation deposit of $35,000 (2023 - $35,000) held with the Ministry of Finance relating to exploration activities completed on the Prospect Valley property.

7. MINERAL PROPERTIES (Continued)

(c) Skoonka Creek, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Cornish and Almadex Minerals Ltd. (“Almadex”), to acquire a 100% interest in the Skoonka Creek gold property, located within the prospective Spences Bridge Gold Belt, British Columbia. Under the terms of the agreement, the Company issued 2,000,000 common shares at a price of $0.09 per share. Almadex retains its original NSR of 2% from future production.

The Company has a reclamation deposit of $25,000 (2023 - $25,000) held with the Ministry of Finance relating to exploration activities completed on the Skoonka Creek property.

(d) Skoonka North Gold Property, British Columbia, Canada

In May 2018, the Company staked an additional gold mineral property, Skoonka North, within the Spences Bridge Gold Belt, British Columbia.

(e) Talisker Property

On September 6, 2024, the Company acquired a claim package from Talisker Resources Ltd. (“Talisker”) contiguous to the Shovelnose Gold Property. The Company paid $20,000 cash and issued 1,500,000 common shares with a value of $225,000 to Talisker. In addition, the Company granted Talisker a 1% Net Smelter Royalty (“NSR”). The Company has the option to buy back the 1% NSR at any time for $1,000,000.

(f) Net Smelter Return Royalty

On November 16, 2018, the Company was granted a 2.5% NSR (the “Talisker Royalty”) by Sable Resources Ltd. (“Sable”). The Talisker Royalty applies to any properties of Sable or its affiliates within 5km of Westhaven’s properties in the Spences Bridge Gold Belt. On October 6, 2022, the Company sold the Talisker Royalty to Franco-Nevada Corporation (“Franco-Nevada”) for US$750,000.

On October 6, 2022, the Company also completed the grant and sale of a 2% NSR to Franco-Nevada for US$6,000,000 (the “Franco NSR”). The Franco NSR applies to all the Company’s claims across the Spences Bridge Gold Belt. The Company has an option to buy-down 0.5% of the NSR for US$3,000,000 for a period of five years from the closing of the transaction.

The total proceeds of the NSR transactions above amounted to $9,249,930 (US$6,750,000). Given the stage of the mineral property compared to the Company’s other projects, management recorded the entire proceeds as a recovery in the Shovelnose Gold Property.

7. MINERAL PROPERTIES (Continued)

Realization

The Company's investment in and its expenditure on the mineral properties comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the required permits and regulatory approvals as well as the financing necessary to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

8. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On October 17, 2024, the Company closed a brokered private placement for aggregate gross proceeds of $6,000,005. The Company issued the following:

- 10,000,000 units at a price of $0.15 for gross proceeds of $1,500,000. Each unit consists of one common share and one-half of one share purchase warrant.
- 5,714,300 flow-through shares at price of $0.175 per share for gross proceeds of $1,000,003.
- 15,909,100 flow-through units at $0.22 per unit for gross proceeds of $3,500,002. Each flow-through units consists of one common share and one-half share purchase warrant.

Each share purchase warrant entitles the holder to purchase one common share at a price of $0.22 at any time on or before October 17, 2026.

8. CAPITAL STOCK (Continued)

(b) Issued and outstanding (continued)

In connection with the October 2024 financings, the Company paid a broker's commission of $346,868 in cash and issued 1,815,564 broker warrants with a value of $54,467, or $0.03 per warrant. The Company used the Black-Scholes option pricing methodology to determine the value of the broker warrants. The broker warrants are exercisable for one common share at a price of $0.15 at any time on or before October 17, 2026. The Company used the residual method to calculate a fair value of $955,683 for the tax deduction attached to the flow-through common shares, of which $412,032 was recorded to the Statement of loss and comprehensive loss for the year ended December 31, 2024 and the balance of $543,650 was recorded as a flow-through liability as at December 31, 2024.

On September 6, 2024, the Company issued 1,500,000 shares with a value of $225,000 to Talisker in connection with the acquisition of property contiguous with the Shovelnose Gold Property. The value of the shares issued was determined using the closing price of $0.15 per share on the date the shares were issued.

On June 20, 2024, the Company closed a non-brokered private placement. The Company issued 6,685,000 flow-through shares at $0.23 per share for gross proceeds of $1,537,550. The Company used the residual method to calculate the fair value of the tax deduction attached to the flow-through common shares and recognized a flow-through liability of $401,100. The Company paid cash finder's fees of $92,253 in connection with the share issue. As at December 31, 2024, the Company had incurred qualifying expenditures in full satisfaction of the obligation. As a result, the $401,100 flow-through share premium was recognized in the statement of loss and comprehensive loss for the year ended December 31, 2024.

On March 28, 2024, the Company closed a non-brokered private placement. The Company issued 7,926,182 flow-through shares at $0.23 per share for gross proceeds of $1,823,022. The Company used the residual method to calculate the fair value of the tax deduction attached to the flow-through common shares and recognized a flow-through liability of $134,056. The Company paid cash finder's fees of $112,302 in connection with the share issue. As at December 31, 2024, the Company had incurred qualifying expenditures in full satisfaction of the obligation. As a result, the $134,056 flow-through share premium was recognized in the statement of loss and comprehensive loss for the year ended December 31, 2024.

During the year ended December 31, 2023, the Company issued 1,095,589 common shares on the exercise of stock options (see (d) below).

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(c) Warrants

The following summarizes the Company's warrants as at December 31, 2024 and 2023, and changes during the years:

	December 31, 2024		**December 31, 2023**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of the year	-	-	10,689,250	$1.00
Expired	-	-	(10,689,250)	$1.00
Issued – Broker warrants	1,815,564	$0.15	-	-
Issued – Flow-through warrants	7,954,550	$0.22	-	-
Issued – Subscriber warrants	5,000,000	$0.22	-	-
Outstanding and exercisable, end of the year	**14,770,114**	**$0.21**	**-**	**-**

As at December 31, 2024, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
October 17, 2026	$0.15	1,815,564	1.79
October 17, 2026	$0.22	12,954,550	1.79
		14,770,114	**1.79**

As at December 31, 2023, the Company had no outstanding warrants.

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(d) Stock options

The Company has a 10% rolling security-based compensation plan (the “Plan”) which allows for the issuance of incentive stock options, deferred share units (“DSUs”), performance share units (“PSUs”), restricted share units (“RSUs”), stock appreciation rights (“SARs”), and stock purchase rights (collectively, “Awards”). Under the terms of the Plan, the maximum number of common shares of the Company reserved for issuance, together with all of the Company’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of shares, shall not exceed 10% of the issued and outstanding common shares as at the date of grant of any Award. The Plan was most recently approved by Shareholders at an Annual General Meeting held June 24, 2024. To-date, only stock options have been granted pursuant to the Plan. Stock options typically have a five-year term and may be subject to vesting, as determined by the Board of Directors.

During the year ended December 31, 2024, no stock options were exercised. During the year ended December 31, 2023, the Company issued 1,095,589 shares on the exercise of stock options for total proceeds of $153,383. In relation to this exercise, $119,419 was transferred from options reserve to capital stock. The weighted average share price on the date of exercise was $0.14.

During the year ended December 31, 2024, the Company transferred $869,523 (2023 - $2,421,210) from options reserve to deficit on the expiration of 1,450,000 (2023 - 2,900,000) stock options.

During the year ended December 31, 2024, the Company granted stock options as follows:

Date of Grant	Number of Options	Exercise Price	Expiry Date
January 29, 2024	1,000,000	$0.17	January 29, 2029
March 29, 2024	3,900,000	$0.25	March 29, 2029
April 30, 2024	200,000	$0.25	April 30, 2029
	5,100,000		

Share-based payments of $392,000 were charged to the statement of loss and comprehensive loss and share-based payments of $191,000 were capitalized to mineral properties.

On March 20, 2023, the Company granted 3,945,000 stock options at an exercise price of $0.35 per share. The options vested March 20, 2023, and will expire March 20, 2028. Share-based payments of $478,125 were charged to the statement of loss and comprehensive loss and share-based payments of $307,793 were capitalized to mineral properties.

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(d) Stock options (continued)

The following summarizes the Company's stock options as at December 31, 2024 and 2023, and changes during the years.

	December 31, 2024		**December 31, 2023**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	8,845,000	$0.57	8,895,589	$0.82
Exercised	-	-	(1,095,589)	$0.14
Granted	5,100,000	$0.23	3,945,000	$0.35
Expired	(1,450,000)	$0.83	(2,900,000)	$1.20
Outstanding and exercisable, end of year	**12,495,000**	**$0.39**	**8,845,000**	**$0.67**

As at December 31, 2024, the following stock options were outstanding and exercisable:

Expiry Date	Exercise Price	Outstanding/ Exercisable	Weighted Average Remaining Contractual Life (Years)
May 20, 2025	$0.80	475,000	0.38
August 10, 2025	$0.95	260,000	0.61
April 22, 2026	$0.70	2,315,000	1.31
November 29, 2026	$0.50	400,000	1.91
March 20, 2028	$0.35	3,945,000	3.22
January 29, 2029	$0.17	1,000,000	4.08
March 29, 2029	$0.25	3,900,000	4.24
April 30, 2029	$0.25	200,000	4.33
		12,495,000	**3.07**

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(d) Stock options (continued)

As at December 31, 2023, the following stock options were outstanding and exercisable:

Expiry Date	Exercise Price	Outstanding/ Exercisable	Weighted Average Remaining Contractual Life (Years)
July 8, 2024	$0.70	200,000	0.52
December 23, 2024	$0.85	1,250,000	0.98
May 20, 2025	$0.80	475,000	1.39
August 10, 2025	$0.95	260,000	1.61
April 22, 2026	$0.70	2,315,000	2.31
November 29, 2026	$0.50	400,000	2.92
March 20, 2028	$0.35	3,945,000	4.22
		8,845,000	2.89

The stock options granted during the years ended December 31, 2024 and 2023 vested on the date of grant and the fair value was calculated using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2024	**December 31, 2023**
Expected life (years)	5	5
Interest rate	3.51%	2.96%
Volatility	70% to 71%	86%
Dividend yield	0%	0%
Forfeiture rate	0%	0%
Market value of common shares at grant date	$0.20 to $0.23	$0.30
Fair value	$0.11 to $0.13	$0.20

Volatility has been calculated based on the historical volatility of the Company. Interest rates represent rates from the Bank of Canada on bonds with a similar term. The dividend yield represents the expected dividends to be paid by the Company.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

The Company entered the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

Key management compensation

During the years ended December 31, 2024 and 2023, short-term employee benefits for key management compensation and directors' fees were incurred as follows:

			2024		2023
Gareth Thomas (CEO)	Salary and Bonus	$	225,000	$	257,024
Shaun Pollard (Former CFO)	Salary and Bonus		225,000		257,024
Zara Boldt (Interim CFO)	Salary		35,000		-
Grenville Thomas (Former Director)	Fees(1)		-		11,589
Eira Thomas (Director)	Fees(1)		13,200		-
Victor Tanaka (Director)	Fees(1)		13,200		13,058
Hannah McDonald (Director)	Fees(1)		13,200		13,058
Paul McRae (Director)	Fees(1)		13,200		13,058
Total key management compensation		$	537,800	$	564,811

(1) Included in Salaries and Benefits in the statement of loss.

Share-based payment expense allocated to key management and directors during the year ended December 31, 2024 was $348,000 (2023 - $398,438).

In addition to the above costs, the Company paid $74,614 (2023 - $72,920) for rent and office expenditures to Anglo Celtic Exploration Ltd. ("Anglo"). Anglo is a company controlled by Grenville Thomas, a former director of the Company, Gareth Thomas, CEO and director, and Eira Thomas, director.

At December 31, 2024, $nil (2023 - $28,093) in respect of expense reimbursements and fees were due to key management and included in accounts payable and accrued liabilities. The amounts are non-interest bearing and subject to normal trade terms. At December 31, 2024, $nil (2023 - $17,259) included in other receivables was due from key management.

(Expressed in Canadian Dollars)

10. INCOME TAXES

Income tax expense differs from the amounts that would be computed by applying the Canadian statutory income tax rate of 27% (2023 - 27%) to income before income taxes.

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

	2024	2023
Loss before income tax	$ (1,207,728)	$ (1,865,247)
Statutory income tax rate	27%	27%
Income tax recovery at Canadian statutory rate	(326,087)	(503,617)
Temporary differences	1,186,766	1,267,338
Non-deductible amounts	508,064	(1,157)
Unused tax losses and tax offsets	-	7,383
Total income tax expense	$ 1,368,743	$ 769,947

The significant components of deferred tax assets and liabilities recognized as of December 31 are as follows:

	2024	2023
Non-capital losses	$ 1,436,704	$ 688,726
Property and equipment	(25,465)	6,046
Share issuance costs	248,479	158,178
Non-refundable investment tax credits	50,324	52,259
Lease liability	9,946	46,396
Resource properties	(3,628,650)	(1,676,629)
Right-of-use assets	(10,069)	(44,923)
Net deferred income tax liabilities	$ (1,918,731)	$ (769,947)

The Company recognizes tax benefits on losses or other deductible amounts where it is probable the Company will generate taxable income to utilize its deferred tax assets.

As of December 31,2024, The Company has non-capital losses of $5,321,124 which expire in 2036 through 2044.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. INCOME TAXES (Continued)

The Company is eligible for British Columbia mining exploration tax credits (“BCMETC”), based on qualified mineral exploration expenditures incurred for determining the existence, location, and extent or quality of a mineral resource in the province of British Columbia. The tax credit is calculated as 30% (for the area in which the Company operates) of qualified mineral exploration expenditures incurred to the extent such expenditures are not renounced or committed with respect to issued flow-through shares, if any. The filing for the BCMETC is subject to an assessment process, which may include an audit by the taxation authorities. The amount ultimately recoverable may be different from the amount claimed.

During the year ended December 31, 2024, the Company received an aggregate refund of $449,563 (2023 - $2,049,781) related to BCMETC previously filed claims attributable to qualified mining exploration expenses incurred on its mineral properties. At December 31, 2024, $nil (2023 - $420,000) has been accrued for BCMETC receivable related to qualified expenditures incurred during the year.

11. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders’ equity. The Company manages its capital structure and adjusts it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

12. COMMITMENTS

The Company has the following annual payments due pursuant to building leases and equipment loans:

		2025		2026		2027
1 - Building space	$	23,500	$	-	$	-
2 - Building space	$	21,850	$	-	$	-
3 - Equipment loan	$	2,190	$	-	$	-
4 - Equipment loan	$	26,649	$	26,649	$	9,225
Annual payments	**$**	**74,189**	**$**	**26,649**	**$**	**9,225**

Note 1 – On June 2, 2020, the Company entered a two-year lease for building space. On June 1, 2022, this lease was extended for an additional three years, to May 31, 2025.

Note 2 – On December 12, 2019, the Company entered a three-year lease for building space associated with the Shovelnose project. On September 14, 2022, the lease was extended for an additional three years, to September 14, 2025.

On May 14, 2023, the Company entered a two-year lease for building space associated with the Shovelnose project. This lease was terminated early, in April 2024 (see note 6).

Note 3 – During the year ended December 31, 2021, the Company entered a loan to purchase equipment. The Company is committed to payments of $365 per month until June 30, 2025.

Note 4 – During the year ended December 31, 2022, the Company entered a loan to purchase equipment. The Company is committed to payments of $1,025 bi-weekly until May 13, 2027.

During the year ended December 31, 2024, the Company issued flow-through shares which require the Company to incur qualifying exploration expenditures of $7,860,576 by December 31, 2025. As at December 31, 2024, the Company had incurred qualifying expenditures of $5,342,616 with a further $2,517,960 to be incurred prior to December 31, 2025. As a result of partially satisfying the flow-through obligation, $947,188 of the $1,490,838 flow-through share premium was recognized in the statement of loss and comprehensive loss for the year ended December 31, 2024, leaving a flow-through liability of $543,650 remaining as at December 31, 2024.

13. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. The Company's long-term assets are in Canada.

14. SUBSEQUENT EVENTS

On January 8, 2025, the Company granted 3,500,000 stock options to directors, officers, and consultants. The stock options have an exercise price of $0.15 per share and will expire on January 8, 2030. Stock options granted to directors will vest immediately (600,000 stock options) with the balance of 2,900,000 stock options vesting over a period of 18 months from the date of grant.

On March 31, 2025, the Company granted 1,000,000 stock options to an officer of the Company. The stock options have an exercise price of $0.15 per share and will expire on March 31, 2030. The stock options vest in thirds over a period of 18 months from the date of grant.