YORBEAU RESOURCES INC.

Financial Statements
Years ended December 31, 2024 and 2023

Yorbeau Resources Inc.
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Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Yorbeau Resources Inc.

Opinion

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

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the there are no key audit matters to communicate in our report.

Information other than the financial statements and the auditor’s report thereon

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. 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 Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
March 28, 2025

[1] CPA auditor, public accountancy permit no. A127023

YORBEAU RESOURCES INC.

Statements of Financial Position
December 31, 2024 and 2023
(In Canadian dollars)

	2024	2023
	$	$
Assets		
Current assets:		
Cash	233,207	222,759
Investment in marketable securities (note 8(e))	15,000	15,000
Bond Investments, 1,9% to 3,4%, maturing until September 2025	3,008,803	--
Receivables (note 5)	184,569	46,754
Prepaid expenses	7,829	51,000
In-trust deposits (note 6)	339,000	--
	3,788,408	335,513
Non-current assets:		
Balance of sale price of mining claims, 5% (notes 8 and 23)	20,000,000	--
In-trust deposits (note 6)	--	339,000
Right-of-use assets (note 20)	35,639	449
Chibougamau building (note 7)	165,649	176,605
Mining properties (note 8)	1,072,568	3,345,178
Exploration and evaluation assets (note 8)	8,104,065	21,047,131
Royalty (note 24)	500,000	--
	29,877,921	24,908,363
Total assets	33,666,329	25,243,876
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables (note 9)	277,188	152,129
Current portion on lease liabilities (note 20)	18,611	542
Others payable	--	1,151
Liability related to flow through shares (note 21)	267,200	339,159
Loan (note 11)	--	40,000
	562,999	532,981
Non-current liabilities:		
Lease liabilities (note 20)	16,581	--
Provisions (note 10)	--	339 000
Total liabilities	579,580	871,981
Shareholders' equity:		
Share capital (note 12)	59,685,353	58,985,353
Contributed surplus	3,436,613	3,436,613
Deficit	(30,035,217)	(38,050,071)
	33,086,749	24,371,895
Total liabilities and shareholder's equity	33,666,329	25,243,876

Commitments and contingencies (note 22)

See accompanying notes to the financial statements.

For the Board of directors

(s) G. Bodnar Jr., Director

(s) Marcel Lecourt, Director

YORBEAU RESOURCES INC.

Statements of Income (Loss) and Comprehensive Income (Loss)
Years ended December 31, 2024 and 2023
(In Canadian dollars)

	2024	2023
	$	$
Revenues		
Contract revenue (note 8a)	--	147
Rental of facilities	47,250	57,280
Grant	--	20,000
Other revenue related to flow-through shares (notes 12 & 21)	371,959	60,326
	419,209	137,753
Expenses		
Administrative expenses (note 15)	1,267,029	867,881
Share-based payments	--	6,411
Mining property management fees	129,641	154,764
Chibougamau building expenses (note 16)	32,509	33,456
Impairment of mining properties and exploration and evaluation assets (note 8(i))	--	1,467,729
Gain on the sale of mining claims (note 8(e))	(9,022,153)	--
	(7,592,974)	2,530,241
Operating income (loss)	8,012,183	(2,392,488)
Interest income	64,338	--
Fair value adjustment of investment in marketable securities	--	(37,500)
Interest expenses	(56,126)	(6,550)
Net income (loss) and comprehensive income (loss)	8,020,395	(2,436,538)
Net income (loss) per share, basic	0.018	(0.006)
Net income (loss) per share, diluted	0.018	(0.006)
Weighted average number of shares outstanding, basic	449,533,535	422,803,408
Weighted average number of shares outstanding, diluted	449,533,535	422,803,488

See accompanying notes to the financial statements.

YORBEAU RESOURCES INC.

Statements of Cash Flows
Years ended December 31, 2024 and 2023
(In Canadian dollars)

	2024	2023
	$	$
Operating		
Net income (loss) for the year	8,020,395	(2,436,538)
Adjustments for non-cash items:		
Other revenue related to flow-through shares	(371,959)	(60,326)
Share-based payments	--	6,411
Amortization expense (notes 15 and 16)	11,405	26,810
Impairment of mining properties and exploration and evaluation assets (note 8(i))	--	1,467,729
Fair value adjustment of investment in marketable securities (note 8(e))	--	37,500
Gain on sale of mining claims (note 8(e))	(9,022,153)	--
Grant	--	(20,000)
Interest expenses	549	1,797
Net change in non-cash operating working capital items		
Receivables	(137,815)	82,040
Prepaid expenses	43,171	65,763
Accounts payable and accrued liabilities	84,586	(113,711)
Others payabler	(1,151)	(24,987)
Cash flows used in operating activities	(1,372,972)	(967,512)
Investing		
Bond Investments	(3,008,803)	--
Additions to Mining properties	(298,329)	--
Additions to exploration and evaluation assets	(759,804)	(374,105)
Sale of mining claims	5,000,000	--
Royalty	(500,000)	
Cash flows from (used in) investing activities	433,064	(374,105)
Financing		
Issuance of shares	1,000,000	1,200,000
Repayment of loan	(40,000)	--
Options exercise	--	29,000
Share Issuance Fees	(5,541)	(21,597)
Lease payments	(4,103)	(19,039)
Administrators'advances	925,000	--
Repayment of administrators' advances	(925,000)	
Cash flows from financing activities	950,356	1,188,364
Net change in cash	10,448	(153,253)
Cash, beginning of year	222,759	376,012
Cash, end of year	233,207	222,759
Unpaid additions to exploration and evaluation asset	$145,631	$105,158
Sales of mining claims in exchange for balance of sale price	$20,000,000	$--
Interests paid	$53,386	

See accompanying notes to the financial statements.

YORBEAU RESOURCES INC.

Statements of Changes in Shareholders' Equity
Year ended December 31, 2024 and 2023
(In Canadian dollars)

	2024	2025
	$	$
Transactions with shareholders, recorded directly in equity:		
Share capital		
Balance, beginning of year	58,985,353	58,106,334
Issue of common shares (note 12)	--	500,000
Issue of flow-through shares (note 12)	700,000	350,019
Options exercise	--	29,000
Balance, end of year	59,685,353	58,985,353
Contributed surplus:		
Balance, beginning of year	3,436,613	3,430,202
Share-based payments under the option plan (note 13)	--	6,411
Balance, end of year	3,436,613	3,436,613
Deficit:		
Balance, beginning of year	(38,050,071)	(35,591,936)
Net income (loss) and comprehensive income (loss) for the year	8,020,395	(2,436,538)
Shares issuance fees	(5,541)	(21,597)
Balance, end of year	(30,035,217)	(38,050,071)
Total shareholders' equity, end of year	33,086,749	24,371,895

See accompanying notes to the financial statements.

1. Reporting entity and liquidity risk

Yorbeau Resources Inc. (“Yorbeau” or the “Company”) is a company domiciled in Canada and incorporated under the laws of the Province of Québec. The address of the Company’s registered office is 50 West Crémazie Boulevard, Suite 403, Montréal, Québec H2P 2T1.

The Company is involved in the exploration of mineral properties in the Province of Québec. Yorbeau Resources’ shares are traded on the TSX under “YRB”. Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties. However, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The Company has not yet found a property that contains economically mineable mineral deposits and has not generated revenues or cash flows from its operations. Management expects that the working capital of $3,225,409 will cover its operating needs for the next twelve months. In the future and periodically, the Company will need to obtain additional financing to continue its operations and there is no assurance that it will be able to raise additional funds, whether through equity issuances or debt financing, without limitation.

2. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These financial statements were authorized for issue by the Board of Directors on March 28, 2025.

3. Basis of preparation

a) Basis of measurement:

The financial statements have been prepared on the historical cost basis except for :

- Share-based compensation transactions, which are measured at fair value at grant date pursuant to IFRS 2, *Share-Based Payment*;
- Lease liabilities, which are measured at the present value of minimum lease payments at the commencement date pursuant to IFRS 16, *Leases*;
- The liability for flow-through shares which is recorded at fair value at the date of the financing announcement;
- The investment in marketable securities, which is recorded at fair value through profit or loss.

b) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company’s functional currency.

c) Use of estimates and judgments:

The preparation of the statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

3. Basis of preparation (continued)

c) Use of estimates and judgments (continued):

Information regarding critical judgments made in applying accounting policies that have the most significant effect on the amount recognized in these financial statements is provided in Note 4 c) Impairment – non-financial assets on the impairment indicators for exploration and evaluation assets.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Notes 4 and 10 - Estimation of the provision for site restoration costs;
- Notes 4 and 14 - Estimation of recovery of tax assets

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

4. Material accounting policies

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

a) Mining properties and exploration and evaluation assets

Mining properties consist of acquired interests in mining permits and claims which include the rights to explore for all minerals from such claims.

All pre-exploration costs, i.e. costs incurred prior to obtaining the legal right to undertake exploration activities on an area of interest, are expensed as incurred.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

The expenditures that are included in the measurement of exploration and evaluation assets include those related to acquisition of rights to explore, topographical, geological, geochemical, and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. Mining properties and exploration and evaluation assets are carried at historical cost less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable for an area of interest, the Company stops capitalizing mining properties and exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of the assets.

4. Material accounting policies (continued)

b) Financial instruments

Financial assets are classified and measured based on the three following categories: amortized cost, fair value through other comprehensive income, and fair value through profit and loss ("FVTPL"). Financial liabilities are classified and measured in two categories: amortized costs or FVTPL. The Company's financial assets, namely cash, receivables (except sales tax receivable), bond Investments, in-trust deposits and balance of sale price of mining claims, are categorized and measured at amortized cost and the investment which is categorized and measured at FVTPL. All of the Company's financial liabilities, including Trade and other payables (except salaries payables), other payable and loan are also categorized and measured at amortized cost.

Financial assets are not reclassified subsequent to their initial recognition, unless the Company identifies changes in its business model in managing financial assets and would reassess the classification of financial assets.

c) Impairment

Financial assets

The impairment requirements of IFRS 9 use forward-looking information to account for expected credit losses, namely the expected credit loss model. The Company considers a wide range of information when assessing expected credit losses, including past events, current conditions, as well as reasonable and supportable forecasts that affect the expected recoverability of the instrument's future cash flows.

Non-financial assets

The carrying amount of the Chibougamau building, right-of-use assets, royalty, mining properties and exploration and evaluation assets is subject to an impairment test only when there are indicators of impairment, typically when one of the following circumstances applies for mining properties and exploration and evaluation assets:

- Exploration rights have expired or will expire in the near future;
- No significant future exploration expenditures are foreseen;
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued; and
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

The Company completes an evaluation at each reporting year of potential impairment indicators. If any such indicator exists, then the asset's recoverable amount is estimated.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.

4. Material accounting policies (continued)

c) Impairment (continued)

Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing the 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The level identified by the Company for the purposes of testing mining properties and exploration and evaluation assets for impairment corresponds to each mining property.

d) Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs. Provisions are reviewed at each period and adjusted to reflect current estimates.

e) Share capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as an increase in deficit, net of any tax effects.

Flow-through shares

The Canadian tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Company may finance a portion of its exploration programs with flow-through shares.

At the time of share issuance, the Company allocates the proceeds between share capital and an obligation to deliver the tax deductions, which are recorded as a liability for flow-through shares. The Company estimates the fair value of the obligation using the residual method, i.e. by comparing the price of the flow-through share to the quoted price of common share at the date of the financing announcement.

4. Material accounting policies (continued)

e) Share capital (continued)

Flow-through shares (continued)

When tax deductions are being renounced and the Company has the expectation of renouncing and has capitalized the expenditures during the current year, then the Company records a deferred tax liability with the corresponding charge to income tax expense. At the same time the liability related to flow-through shares is reduced, with a corresponding increase to other income related to flow-through shares.

f) Share-based payments

The grant date fair value of share-based payment awards granted to employees and directors is recognized as an expense, with a corresponding increase in contributed surplus, over the period that the employees and directors unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company. The Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, except when that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted.

g) Revenue from contracts with customers

Revenues from contract revenues and rental of facilities are recognized over time as services are rendered. Contract assets represent the gross unbilled amount that is expected to be collected from third parties for work performed to the end of the reporting year. They are measured at cost plus profit, less progress billings. As such, the amount consists of revenues recognized by the Company in excess of amounts billed to clients. If progress billings for a given project exceed costs incurred plus recognized profit, then the difference is presented as deferred revenues.

h) Finance income and finance costs

Interest income and expense are recognized as they accrue, using the effective interest method.

Interest received and interest paid are classified under operating activities in the statements of cash flows.

4. Material accounting policies (continued)

i) Refundable tax credit related to resources and refundable credit on mining duties

The Company is eligible for a refundable resource tax credit on Canadian Exploration Expenditures, financed by Treasury funds, other than flow-through share financings, of up to 28%. This credit is recorded as a government grant against exploration and evaluation assets. The Company is also entitled to a refundable credit on mining duties under the Québec Mining Tax Act. The accounting treatment for refundable credit on mining duties depends on management's intention to either go into production in the future or to sell its mining properties to another mining producer once the technical feasibility and the economic viability of the properties have been demonstrated. This assessment is made at the level of each mining property. In the first case, the credit on mining duties is recorded as an income tax recovery under IAS 12, *Income Taxes*. At the same time, deferred tax liability and deferred tax expense are recognized because the exploration and evaluation assets lose their tax basis following the Company's election to claim the refundable credit. In the second case, it is expected that no mining duties will be paid in the future and, accordingly, the credit on mining duties is recorded as a government grant under IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, which is recorded against exploration and evaluation assets.

Management's current intention is to sell the mining properties in the future, and, therefore, the credit on mining duties is recorded as a government grant against exploration and evaluation assets. The Company records the credit at the rate of 16% applicable on 50% of the eligible expense.

Credits related to resources and credits on mining duties recognized against exploration and evaluation expenditures are recorded when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the credits.

j) Income tax

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

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized with regard to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

4. Material accounting policies (continued)

j) Income tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common Shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common Shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and share options granted to directors and employees. As of December 31, 2024 and 2023, all outstanding options have an anti-dilutive effect on earnings per share.

l) Segment reporting

The Company determined that it only has one operating segment, i.e., mining exploration.

m) Chibougamau building

The building, located in Chibougamau, Québec, is being used as a drill core handling facility. It is carried at cost, less accumulated amortization. The Company currently amortizes it using the straight-line method over an estimated useful life of 25 years.

n) Leases

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

4. Material accounting policies (continued)

n) Leases (continued)

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

The right-of-use assets are subsequently depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option. Lease terms, including options to renew for which the Company is reasonably certain to exercise, range from one to two years for the vehicle and premises. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option.

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

Payments related to short-term leases (12 months or less) and leases of low-value assets are recorded as expenses in the statement of profit or loss and comprehensive income or loss on a straight-line basis.

o) Mining Properties Options Agreements

Options on interests in mining properties acquired by the Company are recorded at the fair value of the consideration paid, including other benefits given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for. Expenditures are accounted for only when incurred by the Company.

4. Material accounting policies (continued)

o) Mining Properties Options Agreements (continued)

When the Company sells interests in a mining property (farm-out agreement), it uses the carrying amount of the property of the option as the carrying amount for the portion of the pro financial assets against the carrying value of this portion any excess is recognized as a gain in profit or loss.

p) Net smelter return royalties

Royalties granted

The net smelter return ("NSR") royalties are generally not accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

Royalties acquired

Acquired royalties are identified and classified as tangible assets and are initially measured at cost, including all attributable transaction costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Royalties are amortized using the units of production method over the expected life of the property to which the interest relates, which is estimated using information on proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the corresponding mine.

When acquiring a royalty from a mine at the exploration and evaluation stage, the cost is recognized as a non-depreciable asset at the acquisition date in accordance with IFRS 6 *Exploration and Evaluation of Mineral Resources* ("IFRS 6") and is not exhausted until technical feasibility and commercial viability have been established.

q) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

As the date of authorization of the financial statements, several new, but not yet effective Standards and amendments to exiting Standards, and Interpretations have been published by the *International Accounting Standard Board* (IASB). None of these Standards of amendments to existing Standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted and which have not been presented below should not have a material impact on the Company's financial statements

(In Canadian dollars)

4. Material accounting policies (continued)

q) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company (continued)

IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new presentation requirements in the income statement, including specified totals and subtotals. In addition, entities are required to classify all income and expenses in the income statement into one of five categories: operating, investing, financing, income taxes, and discontinued operations.

It also requires the disclosure of new management-defined performance measures in a single note, revenue and expense subtotals, and includes new requirements for aggregating and disaggregating financial information based on the identified "roles" of the primary financial statements and notes.

In addition, limited scope amendments have been made to IAS 7 *Statement of Cash Flows* which include changing the starting point for determining cash flows from operations using the indirect method from 'profit or loss' to 'operating profit or loss' and removing the option relating to the classification of cash flows from dividends and interest.

IFRS 18 and amendments to other standards apply to annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transitional provisions.

The Company is currently working to identify all the impacts that the amendments will have on the financial statements and the notes to the financial statements.

5. Receivables

	2024	2023
Sales taxes receivable	$104,036	$42,730
Other	26,467	4,024
Interests receivable	54,066	
	$184,569	$46,754

6. In-trust deposits

At as December 31, 2024, the Company had an in-trust deposit of $339,000 (2023 - $339,000) in accordance with the current guarantees required under the *Regulation respecting mineral substances other than petroleum, natural gas and brine* and the *Act respecting the preservation of agricultural land and agricultural activities* for the future restoration costs of the Augmitto and Astoria sites on the Rouyn property. Additional guarantees may be required from the government (see note 10). Following the sale of this property, the company is awaiting reimbursement of these deposits.

(In Canadian dollars)

7. Chibougamau Building

	2024	2023
Cost		
Balance, beginning of year	$273,890	$273,890
Balance, end of year	$273,890	$273,890
Accumulated depreciation		
Balance, beginning of year	$97,285	$86,329
Depreciation	10,956	10,956
Balance, end of year	$108,241	$97,285
Carrying amount		
Balance, end of year	$165,649	$176,605

The company earns rental income from this building.

8. Mining properties and exploration and evaluation assets

Mining properties

	December 31, 2023	Additions	Sale	December 31, 2024
Rouyn	$2,570,940	$--	$(2,570,940)	$--
Scott Lake	774,235	--	--	774,235
Lemoine	1	--	--	1
Selbaie West	1	--	--	1
Estrade-Caribou	1	--	--	1
Beschefer	--	298,330	--	298,330
	$3,345,178	$298,330	$(2,570,940)	$1,072,568

	December 31, 2022	Impairment (note 8(i))	December 31, 2023
Rouyn	$2,570,940	$--	$2,570,940
Scott Lake	774,235	--	774,235
Lemoine	270,492	(270,491)	1
Selbaie West	1	--	1
Estrade-Caribou	1	--	1
	$3,615,669	$(270,491)	$3,345,178

(In Canadian dollars)

8. Mining properties and exploration and evaluation assets (continued):

Exploration and evaluations assets

	December 31, 2023	Additions	Sale	December 31, 2024
Rouyn [a)]	$13,600,281	$145,626	$(13,745,907)	$--
Beschefer [b)]	1,078,050	213,121	--	1,291,171
Kistabiche [c)]	1	--	--	1
Scott Lake [e)]	6,167,427	5,498	--	6,172,925
Lemoine [f)]	1	--	--	1
Selbaie Ouest [d)]	1	124,722	--	124,723
Estrade Caribou [g)]	1	--	--	1
Gemini et Turgeon [c)]	2,892	--	--	2,892
Allard [c)]	43,979	97,632	--	141,611
Landrienne [h)]	154,498	216,242	--	370,740
	$21,047,131	$802,841	$(13,745,907)	$8,104,065

	December 31, 2022	Additions	Sale	December 31, 2023
Rouyn [a)]	$13,386,690	$213,591	$--	$13,600,281
Beschefer [b)]	1,097,992	(19,942)	--	1,078,050
Kistabiche [c)]	206,809	(1,853)	(204,955)	1
Scott Lake [e)]	5,977,029	190,308	--	6,167,427
Lemoine [f)]	994,560	(2,275)	(992,284)	1
Selbaie Ouest [d)]	1	--	--	1
Estrade Caribou [g)]	1	--	--	1
Gemini et Turgeon [c)]	2,892	--	--	2,892
Allard [c)]	3,157	40,822	--	43,979
Landrienne [h)]	95,975	58,523	--	154,408
	$21,765,106	$479,264	$(1,197,239)	$21,047,131

a) Rouyn Property:

Yorbeau Resources Inc. signed a definitive asset purchase agreement on October 1, 2024, in connection with a transaction under which Lac Gold (Rouyn) Inc. (“Lac Gold”), a Canadian subsidiary of Lac Gold Pty Ltd, an Australian company, acquired a 100% interest in the Rouyn property.

The Asset Purchase Agreement provides that in consideration for a 100% interest in the Property, Lac Gold must pay a purchase price of $25,000,000 to the Company, allocated as follows:

- a sum of $2,000,000 paid to the Company received in October 2024;
- a sum of $3,000,000 paid to the Company received in December 2024;
- a balance of sale price of $20,000,000 (note 23).

In addition to the purchase price payable by Lac Gold, the Company is entitled to a 2% net smelter return (NSR) royalty applicable to all minerals produced on the Property.

8. Mining properties and exploration and evaluation assets (continued)

Exploration and evaluations assets (continued)

b) Beschefer property

During the year, the Company completed the acquisition of the remaining 20% undivided interest in certain claims that comprise part of the Company's Beschefer property.

Yorbeau acquired the minority interest of International Explorers & Prospectors Inc. pursuant to an agreement entered into between the Company, Explorers Alliance Corporation and IEP in consideration, among other things, of the payment by Yorbeau of $200,000 to IEP.

At the end of 2024, Yorbeau holds a 100% interest in the Beschefer property, i.e., all 140 claims, subject to a 1% royalty on net smelter income held by third parties on a portion of the property.

c) Gemini, Turgeon, Kistabiche, Bonfortel, Poirier and Allard

The Gemini-Turgeon property results from the merging of two contiguous mining properties: the Gemini property and the Turgeon property. It is located 80 kilometers north of La Sarre in Abitibi region of Quebec, more specifically in the Laberge and Casa-Berardi townships. The property consists of 189 claims.

- Yorbeau has a 50% interest in the Turgeon property (61 claims), with the remaining 50% interest held by IAMGOLD. Certain claims of this property are subject to a 2% NSR royalty in favor of a third party.
- Yorbeau has a 37.5% interest in the Gemini property (128 claims) with the remaining interest of 37.5% held by IAMGOLD and 25% held by a third party. Certain claims of this property are subject to a 2% NSR royalty in favor of another third party. IAMGOLD is currently the operator of the joint venture.

The Kistabiche mining property is located 135 kilometers north of Amos in the Abitibi region of Quebec, more specifically, in the Joutel and Poirier Townships.

- Yorbeau owns a 100% interest in the Bonfortel and Poirier blocks. Certain claims of this property are subject to a 2% NSR royalty in favor of a third party.
- Yorbeau owns a 71.65% interest in Kistabiche.

The Allard property is located 175 kilometers north of Amos in the Abitibi region of Quebec, more specifically in Desmazures Township. Yorbeau owns a 51% interest in the property.

8. Mining properties and exploration and evaluation assets (continued)

Exploration and evaluations assets (continued)

d) Selbaie West

Yorbeau owns a 100% interest in the Selbaie West property, which is located in the Carheil and Brouillan townships in Quebec. The property consists of 105 claims, 100 of which are subject to a right of return in favor of First Quantum Minerals Ltd. ("First Quantum") (the "Back-in Right Agreement"). Under the terms of the Back-in Right Agreement, First Quantum has the right to earn back a 50% interest in the property by funding, with Yorbeau as operator, the exploration expenditures on the property in an amount equal to twice the amount of expenditures made on such property since it was acquired by Yorbeau. If First Quantum does not exercise its back-in right, it will be entitled to receive a 1% NSR royalty on the claims which are subject to the said back-in right.

e) Scott Lake

Yorbeau owns a 100% interest in the Scott Lake property, which is composed of three (3) claim blocks totalling 78 claims located in the Scott, Lévy and Obalski townships in Quebec. Some of these claims are subject to production royalties to third parties, as follows:

Ouje block: These 5 claims were assigned to Tomagold Inc. in return for 1,500,000 shares of Tomagold Inc. worth $75,000 at the date of the transaction, plus a 2% NSR royalty of which 1% is redeemable for $1 million. These shares are classified as financial assets at FVTPL and the value as at December 31 2024 is $15,000 ($15,000 in 2023). The Company recognized in 2023 a fair value adjustment on investment in marketable securities of $37,500 in the statement of income (loss) and comprehensive income (loss).

The Scott-Diagold claims (16 claims) are subject to a 1% NSR royalty in favor of Exploration Diagold Inc., which can be purchased at any time by Yorbeau for an amount of $750,000.

The 1948565 Ontario Inc. ("1948565") claims may be subject to various underlying royalty agreements, payable upon commercial production, and a one-time cash payment is due upon commercial production to 1948565, as follows: (1) $1,000,000 if the feasibility study in respect of the property indicates contained mineral reserves of less than 5 million tonnes; (2) $2,000,000 if such reserves are in excess of 5 million tonnes; but less than 10 million tonnes; and (3) $4,000,000 if such reserves are in excess of 10 million tonnes.

An advance amount of $35,000 is payable annually to 1948565 until commercial production is achieved. These advances are recoverable from payments payable to 1948565 described in the subparagraph above and are recorded in the statements of comprehensive loss under *Mining property management fees.*

8. Mining properties and exploration and evaluation assets (continued)

Exploration and evaluations assets (continued)

f) Lemoine

The property is composed of 102 claims. The property is located in the Lemoine, Rinfret and Dollier townships in Quebec. Yorbeau has a 100% interest in the Lemoine property. Some claims of this property are subject to a 2% NSR royalty and to a $1,000,000 payment upon commercial production. Other claims on this property are subject to a 1% NSR royalty, half of which can be purchased for $1,000,000.

g) Estrades-Caribou

The Estrades-Caribou property consists of three contiguous claim blocks totalling a 100% interest in 118 claims located in the Estrées Township in Quebec.

A total of 111 claims are subject to a 2.5% NSR royalty.

h) Landrienne

Yorbeau owns a 100% interest in the Landrienne property which consists of 52 claims located in the Landrienne Township in Québec. This property is subject to the 50 % Back-in Right Agreement with First Quantum. In addition:

- 12 claims of the property are subject to a 2% NSR royalty in favor of Placer Dome and an additional 1% NSR royalty in favor of First Quantum;
- 16 claims of the property are subject to a 1% NSR royalty in favor of First Quantum;
- 14 claims of the property are subject to a 2% NSR royalty in favor of IAMGOLD and an additional 1% NSR royalty in favor of First Quantum;
- 10 claims of the property are subject to a 1.5% NSR royalty in favor of Placer Dome, an additional 0.5% NSR royalty in favor of Brindle Investment ltd. and an additional 1% NSR royalty in favor of First Quantum.

i) Impairment

During the year ended December 31, 2024, the Company has not identified impairment indicators any mining properties for which there were indications that their carrying amounts may not be recoverable.

During the year ended December 31, 2023, the Company tested for impairment certain mining properties and exploration and evaluations assets for which there were indications that their carrying amounts may not be recoverable. The impairment related to the two mining properties being Kistabiche and Lemoine. Given the Company’s stage of development, available resources, and the early stages of exploration for these properties, substantive expenditure of further exploration and evaluation activities is neither budgeted nor planned in the near term. As such, the estimated recoverable amounts were determined to be below the carrying amount of the assets.

(In Canadian dollars)

8. Mining properties and exploration and evaluation assets (continued)

Exploration and evaluations assets (continued)

i) Impairment (continued)

Impairment losses of $1,467,730, of which $204,955 related to Kistabiche and $1,262,775 related to Lemoine, were recognized in the statement of loss and comprehensive loss and were applied against the following:

Mining properties	$270,491
Exploration and evaluations assets	$1,197,239

9. Trade and other payables

	2024	2023
Trade	$242,891	$113,080
Other payables	34,297	39,049
	$277,188	$152,129

10. Provisions

The Company’s provisions consist of obligations for site restoration costs associated with mine reclamation and closure activities at the Astoria and Augmitto sites on the Rouyn property as required under the *Regulation respecting mineral substances other than petroleum, natural gas and brine* and the *Act respecting the preservation of agricultural land and agricultural activities.* In determining the estimated costs, the Company takes into account factors such as changes in legislation and regulations and requirements under existing permits.

The Company anticipates total restoration costs in relation to the aforementioned regulations of $103,000 (2023 - $103,000) for the Astoria site and $236,000 (2023 - $236,000) for the Augmitto sites. Following the sale of the Rouyn property, the company's obligations were transferred to the buyer. The company reduced the obligation by offsetting the gain on the sale of mining claims in net income.

11. Loan

Consists of a term loan of $40,000 in 2023 under the Canadian Small Business Emergency Account, interest free. The loan was repaid in January 2024.

12. Share capital

Authorized

An unlimited number of Class A common shares, without nominal or par value

(In Canadian dollars)

12. Share capital (continued)

Changes in shares during the year as follows:

	2024		2023	
	Number of shares	$	Number of shares	$
Balance, beginning of year	441,588,330	58,985,353	416,402,616	58,106,334
Shares issued				
Options exercise (note 13)	--	--	900,000	29,000
Private placement -				
Common shares	--	--	14,285,714	500,000
Flow-through shares	20,000,000	1,000,000	10,000,000	700,000
Liability related to flow-through shares	--	(300,000)	--	(349,981)
Balance end of year	461,588,330	59,685,353	441,588,330	58,985,353

On August 8, 2024, the Company completed a private placement. The Company issued a total of 20,000,000 flow-through shares at a price of $0.05 per share for gross proceeds of $1,000,000.

The carrying amount of the flow-through shares is presented net of the liability related to flow-through shares of $300,000 which was recognized at the time of issuance.

In June and August 2023, the Company completed private placements of $500,000 by issuing 14,285,714 Class A common shares . Also, the company completed private placements of $700,000 by issuing 10,000,000 flow-through shares.

13. Share option plan

As at December 31, 2024, 22,933,334 Class A common shares were reserved for future issuance under the share option plan for the benefit of the directors, employees and service providers of the Company. Options are issued at an exercise price corresponding to the latest closing price of the Class A common shares on the TSX prior to the grant of the option.

The option plan provides that directors shall determine, in their sole discretion, whether vesting conditions should be applicable to any option granted thereunder at the time of such grant.

Share options vest over a period of two years and expire after a period of five years.

Changes in the number of options outstanding under the Company’s plan during the year were as follows:

(In Canadian dollars)

13. Share option plan (continued)

	2024			2023
	Number of share options	Average weighted exercise price	Number of share options	Average weighted exercise price
Balance, beginning of year	7,200,000	0.055	10,900,000	0.049
Expired	(800,000)	0.055	(2,475,000)	0.036
Forfeited	--	--	(325,000)	0.053
Exercised	--	--	(900,000)	0.032
Balance, end of year	6,400,000	$0.056	7,200,000	$0.055

A share-based payment expense of $Nil was recorded for the year ended December 31, 2024 ($6,411 in 2023).

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

- 1,000,000 options at $0.06 per share until June 17, 2025;
- 3,600,000 options at $0.055 per share until July 13, 2025;
- 500,000 options at $0.065 per share until July 27, 2025;
- 500,000 options at $0.05 per share until October 9, 2025;
- 800,000 options at $0.05 per share until July 7, 2026.

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

- 1,000,000 options at $0.06 per share until June 17, 2025;
- 4,400,000 options at $0.055 per share until July 13, 2025;
- 500,000 options at $0.065 per share until July 27, 2025;
- 500,000 options at $0,05 per share until October 9, 2025;
- 800,000 options at $0.05 per share until July 7, 2026.

14. Income tax

Income tax expense (recovery) differs from the amounts computed by applying the combined federal and provincial income tax rate of 26,5% (2023 - 26.5%) as a result of the following:

(In Canadian dollars)

14. Income tax (continued)

	2024	2023
Net income (loss) for the year	$8,020,395	$(2,436,538)
Expected tax expense (recovery)	2,125,405	(645,683)
Decrease in income taxes resulting from:		
Non-deductible share-based payments	--	1,699
Change in unrecognized deferred tax assets	2,559,702	529,930
Previously unrecognized deferred tax assets	(4,797,796)	--
Tax expense related to flow-through share deduction	208,148	124,218
Permanent difference arising from non-taxable revenue related to flow-through shares	(98,569)	(15,986)
Other	3,110	5,822
Total income tax recovery	$--	$--

The Company has tax losses available of $5,650,000 at Federal and $5,125,000 in Quebec to reduce future years' income. These tax losses, for which the tax effect has not been recorded in these financial statements, expire between 2038 and 2043.

Deferred tax assets of $3,630,278 ($6,675,314 in 2023) have not been recognized because it is not probable that future taxable profits will be available against which the unused tax losses and unused tax credits can be utilized. Temporary differences that have not been recognized are the following items:

December 31, 2024	Federal	Provincial
Non-capital losses	5,652,419	5,124,095
Share issue expenses	21,330	21,330
Chibougamau building	285,474	276,418
Mining properties	182,063	--
Exploration and evaluation assets	6,985,537	8,954,720
Investment	30,000	30,000
Unrecognized temporary differences	13,156,823	14,406,563

December 31, 2023	Federal	Provincial
Non-capital losses	$20,834,791	$22,884,740
Share issue expenses	31,696	31,696
Chibougamau building	547,444	504,340
Mining properties	2,864,593	2,107,488
Investment	30,000	30,000
Provisions	339,000	339,000
Unrecognized temporary differences	$24,647,524	$25,897,264

(In Canadian dollars)

14. Income tax (continued)

Deferred taxes are as follows:

	2023	Recognized in profit or loss	2024
Deferred tax assets:			
Non-capital losses	$544,096	$(477,966)	$66,130
Deferred tax liabilities:			
Mining properties	--	(66,130)	(66,130)
Exploration and evaluation assets	(544,096)	544,096	--
Net deferred tax	$--	$--	$--

	2022	Recognized in profit or loss	2023
Deferred tax assets:			
Non-capital losses	$737,145	$(193,049)	$544,096
Deferred tax liabilities			
Exploration and evaluation assets	(737,145)	193,049	(544,096)
Net deferred tax	$--	$--	$--

15. Administrative expenses

	2024	2023
Salaries	$195,407	$194,323
Fees	848,321	435,447
Investor relations	88,950	97,504
Taxes, licenses and other	11,439	30,473
Rent	40,892	25,468
Insurance	31,126	20,101
Depreciation of right-of-use assets	449	15,854
Miscellaneous	50,445	48,711
	$1,267,029	$867,881

(In Canadian dollars)

16. Chibougamau building expenses

	2024	2023
Depreciation	$10,956	$10,956
Taxes, licenses, and fees	8,890	8,620
Heating	6,267	6,744
Property maintenance	5,624	3,827
Insurance	672	1,975
Miscellaneous	100	1,334
	$32,509	$33,456

17. Financial instruments and financial risk management

Risk management

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management monitors financial risks. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Company's main financial risk exposure and its financial risk management policies are as follows:

Liquidity risk

Management serves to maintain a sufficient amount of cash and cash equivalents, and to ensure that the Company has at its disposal sufficient sources of financing such as private placements. The Company establishes cash budgets to ensure it has the necessary funds to fulfil its obligations. Being able to obtain new funds allows the Company to pursue its activities, and even though the Company was successful in the past, there can be no assurance it will succeed in the future.

The following table summarizes the contractual maturities of the Company's financial liabilities at December 31, 2024:

				2024
	Carrying amount	1 year	Within 2 to 5 years	Over 5 years
Trade and other payables	$277,188	$277,188	$	$
	$277,188	$277,188	$	$

17. Financial instruments and financial risk management (continued)

Credit risk

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Financial instruments potentially exposing the Company are cash and bond investments, which are held at reputable institutions and in-trusts deposits, which are held with the government. The Company considers that credit risk is low.

The balance of the sale price of mining claims also exposes the company to credit risk. The company considers the risk low considering the guarantees held.

Fair value

The fair value of cash, bond investments, receivables (except sales tax receivable), In-trust deposits, trade and other payables and others payable. approximate their carrying amount because of the short-term nature of those instruments.

The fair value of the balance of sale price of mineral claims is approximately the carrying value of the balance of the sale of mining claims due to the fact that it was recently entered into. Fair value is determined by discounting future cash flows.

18. Capital disclosure:

The Company's objectives when managing its capital are to safeguard the Company's ability to continue as a going concern in order to support ongoing exploration programs and development of its mining assets, to provide sufficient working capital to meet its ongoing obligations and to pursue potential investments.

The Company manages its capital structure and makes adjustments to it in accordance with the aforementioned objectives, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets. In the management of capital, the Company includes the components of Shareholders' equity. In order to maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets or adjust the amount of cash. The Company does not intend to issue long-term debt, other than loans under government assistance, before it will generate revenues. There is no dividend policy. The Company is not subject to externally imposed capital requirements except for the issuance of flow-through shares, the amounts of which are to be used for exploration. The Company's management of capital remained unchanged since last year.

19. Related party transactions:

Transactions with key management personnel

The compensation of directors and executive officers of the Company comprises:

(In Canadian dollars)

19. Related party transactions (continued)

Transactions with key management personnel (continued)

	December 31, 2024	December 31, 2023
Short-term employee benefits	$131,669	$136,503
Fees	226,000	62,710
Share-based payments	--	6,411
Interest expenses	55,386	--
Total	$411,055	$205,624

Other related party transactions

The Company paid a royalty of $50,000 to a company controlled by a director ($50,000 in 2023). The Company acquired this royalty in 2024 (Note 24).

During the year ended December 31, 2024, the Company obtained and repaid advances of $925,000 from directors.

These transactions were made in the normal course of business and measured at the exchange amount, which is the amount established and agreed to by the parties.

20. Right-of-use assets and lease liabilities

The company rents rolling stock. The following table shows the change in the Company’s right-of-use asset during the year:

	December 31, 2024	December 31, 2023
Solde au début	$449	$16,303
Augmentation	38,203	--
Charge d’amortissement	(3,013)	(15,854)
Solde à la fin	$35,639	$449

An amount of $2,564 in depreciation was recorded as additions of exploration and evaluation assets.

The following table shows the change in the lease liabilities of the Company during the year:

(In Canadian dollars)

20. Right-of-use assets and lease liabilities (continued)

	December 31, 2024	December 31, 2023
Balance, beginning of year	$542	$17,784
Increase	39,914	--
Lease liability payments	(5,813)	(19,039)
Interest expense	549	1,797
Balance, end of year	$35,192	$542
Current portion	$18,611	$542
Non-current portion	16,581	--

21. Liability related to flow through shares

	December 31, 2024	December 31, 2023
Balance, beginning of year	$339,159	$49,504
Increase (note 12)	300,000	349,981
Other revenue related to flow through shares	(371,959)	(60,326)
Balance, end of year	$267,200	$339,159

22. Commitments and contingencies

The Company has committed to carry out $1,000,000 in eligible exploration and evaluation work prior to December 31, 2025, related to the flow-through financing completed in August 2024. As at December 31, 2024, the Company retains a commitment of $ 892,853 in respect of this financing.

There is no guarantee that the funds spent by the Company in the future will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors. In such an event, the Company will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the qualifying expenditures as agreed.

23. Balance of sale price of mining claims

The balance of the sale price bears interest at 5%, is guaranteed by the Rouyn property and is cashable in three equal installments of $6,666,666 payable to the Company in December 2026, 2027 and 2028.

24. Royalty

In December 2024, the Company acquired from a company controlled by a director a royalty on the Rouyn property, a mining property in the exploration and evaluation stage, for which $500,000 was paid in cash. The annual royalty of $50,000 is payable quarterly at a rate of $12,500 per quarter.