Bonterra Resources Inc.

Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

Bonterra Resources Inc.

For the Years Ended December 31, 2024 and 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Bonterra Resources Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Company maintains systems of internal control that are designed by management to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Marc-Andre Pelletier” (signed)	“Pier-Elise Hebert-Tremblay” (signed)
Chief Executive Officer	Chief Financial Officer

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Independent Auditor's Report

To the Shareholders of Bonterra Resources Inc.

Opinion

We have audited the consolidated financial statements of Bonterra Resources Inc. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group'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 consolidated financial statements of the year ended December 31, 2024. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Asset retirement obligations

The Group recognizes asset retirement obligations (“ARO”) for future reclamation efforts related to current and past sites. The Group's related accounting policy is included in Note 4 and the related estimation uncertainty in Note 5 to the consolidated financial statements. As described in Note 15 to the consolidated financial statements, the ARO totaled $12.5 million at December 31, 2024. We identified the Group’s ARO estimate as a key audit matter.

Why the matter was determined to be a key audit matter
We considered the Group's ARO a key audit matter due to high professional judgment by management when assessing this obligation, including the assessment of the nature and extent of future work to be performed, the future cost of performing the rehabilitation work, the timing of when the rehabilitation will take place and economic assumptions such as the discount rate and inflation rates applicable to future cash outflows associated with rehabilitation activities to bring them to their present value. Auditing these assumptions involved especially challenging and subjective audit judgment due to the nature and extent of audit effort required to address these matters.

How the matter was addressed in our audit
In responding to the key audit matter, we performed the following audit procedures, amongst others:

- We obtained an understanding of management's process to develop its ARO estimate;

- We engaged a subject matter expert to assist us in the evaluation of the assumptions, methodology and data used by the Group;

- We evaluated the methodology used, and tested the significant assumptions in the ARO calculations;

- We have reviewed quotations from certain vendors to support the key cost inputs used in the ARO calculations;

- We compared assumptions including the risk-free rate and inflation rate to current market data;

- We performed recalculations to verify the accuracy of the estimate; and

- We evaluated the adequacy of the Group's disclosures relating to ARO.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

We obtained the other information 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
April 23, 2025

Bonterra Resources Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at,		December 31, 2024		December 31, 2023
Assets				
Current				
Cash	**$**	**1,211,478**	$	2,793,796
Restricted cash (note 16)		**588,973**		-
Marketable securities (note 7)		**21,605**		60,000
Receivables (note 8)		**1,154,476**		1,519,704
Prepaids		**221,003**		120,963
		3,197,535		4,494,463
Security and contract deposits (note 9)		**2,649,958**		3,000,431
Property, plant and equipment (note 10)		**18,357,239**		19,358,525
	$	**24,204,732**	$	26,853,419
Liabilities				
Current				
Trade and other payables (notes 12 and 13)	**$**	**2,570,705**	$	6,987,620
Flow-through premium liability (note 14)		**426,000**		-
		2,996,705		6,987,620
Asset retirement obligations (note 15)		**12,466,000**		11,100,000
		15,462,705		18,087,620
Shareholders' Equity				
Share capital (note 16)		**282,963,101**		277,530,901
Share-based payments reserve (note 16)		**25,031,153**		20,962,388
Deficit		**(299,252,227)**		(289,727,490)
		8,742,027		8,765,799
	$	**24,204,732**	$	26,853,419

Going Concern (note 2)
Commitments and Contingent Liabilities (note 19)
Subsequent Events (notes 8, 16, 19 and 21)

Approved on behalf of the Board:

"Peter O'Malley"
……………………………… Director
Peter O'Malley

"Lesley Antoun"
……………………………… Director
Lesley Antoun

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

Bonterra Resources Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the year ended December 31,	2024	2023
Expenses		
Exploration and evaluation (notes 10, 11 and 15)	**$ 6,302,633**	$ 11,475,363
Mill and mine care and maintenance (note 10)	**723,256**	1,520,774
Salaries, management and director fees (note 13)	**1,565,729**	1,777,949
Office, general and other	**477,414**	563,369
Professional fees	**333,912**	349,492
Rent	**65,975**	70,421
Share-based payments (notes 13 and 16)	**795,765**	710,000
Shareholder communications and investor relations	**564,270**	223,072
Transfer agent and filing fees	**38,853**	67,686
Travel	**108,452**	57,934
Loss Before Other Items	**(10,976,259)**	(16,816,060)
Other Items		
Miscellaneous income (note 11)	**466,578**	2,209,493
(Loss) gain on disposal of property, plant and equipment (note 10)	**(91,686)**	28,635
Unrealized loss on marketable securities (note 7)	**(38,395)**	-
Bad debt expense (Note 8)	**-**	(150,000)
Gold sales, net (note 11)	**-**	3,021,120
Recovery of flow-through premium liability (note 14)	**970,000**	3,940,144
Net interest income	**145,025**	163,127
Net Loss and Comprehensive Loss for the year	**$ (9,524,737)**	$ (7,603,541)
Basic and Diluted Loss Per Share	**$ (0.06)**	$ (0.06)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted (000's)	**151,471**	126,301

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

Bonterra Resources Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital				
	Number of Shares	**Share Capital**	**Share-based Payments Reserve**	**Deficit**	**Total**
Balance, December 31, 2022	126,195,500	$ 277,330,901	$ 20,252,388	$ (282,123,949)	$ 15,459,340
Shares issued for services	1,162,115	200,000	-	-	200,000
Share-based payments	-	-	710,000	-	710,000
Net loss and comprehensive loss for the year	-	-	-	(7,603,541)	(7,603,541)
Balance, December 31, 2023	127,357,615	277,530,901	20,962,388	(289,727,490)	8,765,799
Private placements	**32,792,391**	**9,630,206**	**-**	**-**	**9,630,206**
Flow-through premium liability	**-**	**(1,396,000)**	**-**	**-**	**(1,396,000)**
Fair value of warrants issued on private placements	**-**	**(2,950,000)**	**2,950,000**	**-**	**-**
Share issue costs	**-**	**(1,352,006)**	**323,000**	**-**	**(1,029,006)**
Shares issued for settlement of debt	**6,000,000**	**1,500,000**	**-**	**-**	**1,500,000**
Share-based payments	**-**	**-**	**795,765**	**-**	**795,765**
Net loss and comprehensive loss for the year	**-**	**-**	**-**	**(9,524,737)**	**(9,524,737)**
Balance, December 31, 2024	**166,150,006**	**$ 282,963,101**	**$ 25,031,153**	**$ (299,252,227)**	**$ 8,742,027**

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

Bonterra Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the year ended December 31,	2024	2023
Operating Activities		
Net loss for the year	$ **(9,524,737)**	$ (7,603,541)
Items not involving cash		
Bad debt expense	**-**	150,000
Unrealized loss on marketable securities	**38,395**	-
Depreciation	**909,600**	915,000
Loss (gain) on disposal of property, plant and equipment	**91,686**	(28,635)
Share-based payments	**795,765**	710,000
Recovery of flow-through premium liability	**(970,000)**	(3,940,144)
Accretion expense	**343,000**	214,000
Change in estimate for asset retirement obligations	**1,023,000**	4,352,000
Shares issued for services	**-**	200,000
Changes in non-cash working capital		
Receivables	**365,228**	1,304,581
Prepaids	**(100,040)**	(120,963)
Security and contract deposits	**350,473**	(1,311,179)
Trade and other payables	**(2,916,915)**	410,749
Cash Used in Operating Activities	**(9,594,545)**	(4,748,132)
Investing Activities		
Disposal of property, plant and equipment, net	**-**	200,200
Cash (Used in) Provided by Investing Activities	**-**	200,200
Financing Activities		
Shares issued for cash, net of restricted cash	**9,041,233**	-
Share issue costs	**(1,029,006)**	-
Repayment of long-term debt	**-**	(52,385)
Cash Provided by (Used in) Financing Activities	**8,012,227**	(52,385)
Outflow of Cash	**(1,582,318)**	(4,600,317)
Cash, Beginning of Year	**2,793,796**	7,394,113
Cash, End of Year	$ **1,211,478**	$ 2,793,796

Supplemental Disclosure with Respect to Cash Flows (note 17)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Bonterra Resources Inc. is an exploration stage company incorporated on May 1, 2007, under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties in the province of Québec, Canada. The Company's common shares are traded on the TSX Venture Exchange ("**TSX-V**") under the symbol "BTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "BONXF" and on the Frankfurt Stock Exchange under the symbol "9BR2". The Company's main office (the Company is domiciled in BC) and principal business address is 2872 Sullivan Rd, Suite 2 Val-d'Or, Québec, Canada, J9P 0B9.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred a comprehensive loss of $9,524,737 for the year ended December 31, 2024 (year ended December 31, 2023 - $7,603,541) and has an accumulated deficit of $299,252,227 at December 31, 2024 (December 31, 2023 - $289,727,490). As at December 31, 2024, the Company had working capital of $200,830 (December 31, 2023 - deficiency of $2,493,157).

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the existence of economically recoverable mineral resources, the ability to fund its existing acquisition and exploration commitments on its exploration and evaluation properties when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation properties or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation, tariffs and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

3. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for the issue by the Board of Directors on April 23, 2025.

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"). These consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars which is the Company and its subsidiary's functional and presentation currency.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout by the Company for purposes of these consolidated financial statements.

a) Basis of consolidation

The consolidated financial statements include the financial statements of Bonterra Resources Inc. and its wholly owned subsidiary: UB Phoenix Corp., a company owned at 100% (2023 – Nil) incorporated in Ontario, Canada.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

All inter-company transactions, balances, income and expenses are eliminated on consolidation.

b) Exploration and evaluation expenditures

Exploration and evaluation expenditures, including acquisition costs, are expensed in the year in which they are incurred. Mining exploration tax credits for certain exploration expenditures incurred are recorded against exploration and evaluation expenditures when there is a reasonable assurance that the Company will comply with the conditions attached to it and that the credit will be received.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to “mines under construction” on the consolidated statement of financial position.

Any cash or other consideration received from a farm-out arrangement (where a farmee incurs certain expenditures in a property to earn an interest in that property) is credited against the costs previously recorded in exploration and evaluation.

4. MATERIAL ACCOUNTING POLICIES (Continued)

c) Asset retirement obligations

An obligation to incur decommissioning and site rehabilitation costs ("Asset retirement obligations") occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Asset retirement obligations are recorded as liabilities when those obligations are incurred and are measured as the present value, if a reasonable estimate of the expected costs to settle the liability can be determined, discounted at a current pre-tax rate specific to the liability. In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows. The accretion of the liability to its present value as a result of the passage of time, and changes resulting from revisions to either the timing or the amount of the original estimate of the undiscounted cash flows, where the initial asset retirement obligation has not been recorded as part for the carrying amount of the related asset, is recorded in the consolidated statement of comprehensive loss. The carrying amount of the asset retirement obligations is reviewed to reflect current estimates and changes in the discount rate.

d) Property, plant and equipment

<u>Plant and equipment</u>
The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, and the borrowing costs incurred during its construction for the asset. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Repairs and maintenance of plant and equipment are expensed as incurred. Costs incurred to enhance the service potential of plant and equipment are capitalized and depreciated over the remaining useful life of the improved asset.

<u>Depreciation and depletion</u>
Management determines the appropriate method to depreciate mining assets over their estimated useful life taking into account the nature of a particular deposit and the method of mining that deposit.

The major categories of property, plant and equipment are depreciated on a straight-line basis or declining balance as follows:

Mill infrastructure and related equipment	5 – 15 years straight line
Underground infrastructure and related equipment	5 – 15 years straight line
Exploration and related equipment	10% declining balance

The residual value, depreciation method and the useful life of each asset are reviewed at least at each reporting period.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

4. MATERIAL ACCOUNTING POLICIES (Continued)

e) Revenue recognition

Income earned during the year from sale of metals is considered incidental income and recorded within Other Items in the consolidated statements of comprehensive loss. Income related to the sale of metals is recognized when control of the metal is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for the metal sales. In determining whether the Company has satisfied its performance obligation, it considered the indicators of the transfer of control, which include, but are not limited to, either: the Company has a present right to payment; the customer has legal title to the asset; the Company has transferred physical position of the metal to the customer; and the customer has the significant risk and rewards of ownership of the metal. Income is presented net of direct cost for refining, shipping and related royalty payable as a result of earning the income from metal sales.

Rental income under operating leases is recognized over the terms of the relevant leases as the rent is earned.

f) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, restricted share units ("RSUs"), share purchase warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a pro rata method with respect to the measurement of shares and warrants issued as private placement units. The pro rata method requires each component to be valued at fair value and an allocation of the total proceeds received based on the pro rata relative values of the components.

The fair value of the common shares is based on the closing quoted bid price on the announcement date and the fair value of the common share purchase warrants is determined at the announcement date using the Black-Scholes option pricing model. The fair value attributed to the warrants is recorded in equity reserves.

g) Flow-through shares and units

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. If there is a concurrent flow-through and non flow-through private placement, the Company allocates the proceeds to i) flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) use pro rata method with respect to the measurement of shares and warrants issued. If there is no concurrent non flow-through private placement, the fair value of the unit will be allocated to the shares based on the market value of shares without the flow through feature as determined using its closing quoted bid price on the announcement date. The fair value of the warrants, if applicable, will be calculated using the Black-Scholes option pricing model. The residual of the flow-through unit price and the amounts allocated to the shares and warrants will be allocated to the flow-through premium.

Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes a recovery of flow-through premium liability in other items. Proceeds received from the issuance of flow-through shares are required to be used only for Canadian resource property exploration expenditures within a two-year 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 the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

4. MATERIAL ACCOUNTING POLICIES (Continued)

h) 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 the grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. The 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 an expense with a corresponding increase in share-based payments reserve. 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 share capital and the related share-based payment in share-based payment reserve is transferred to share capital.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where a grant of options is cancelled and settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. The amounts recorded in reserve for unexercised share options remain in share-based payments reserve upon their expiry or cancellation.

The Company grants RSUs to directors and eligible employees. The Company’s RSUs are settled in either cash or equity.

Share-based payment expense related to equity-settled RSUs is valued based on the market price of the Company’s shares on the date of issuance and is recognized as a share-based payments reserve in the consolidated statement of financial position over the vesting term. Equity-settled RSUs are not remeasured subsequent to the initial grant date. Upon exercise, shares are issued, and the amount reflected in the share-based payment reserve is credited to share capital. Changes for RSUs that are forfeited before vesting are reversed from share-based payments reserve.

i) Impairment of non-financial assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at least annually. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive income/loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

j) Financial instruments

Cash, restricted cash, and marketable securities are classified as FVTPL, and are initially measured at fair value less transaction costs. They are subsequently measured at fair value and net gains/losses are recognized in profit or loss in the consolidated statement of comprehensive loss.

Receivables, security and contract deposits, and trade and other payables are classified as amortized cost, and are initially measured at fair value. They are subsequently measured at amortized cost.

k) Future accounting policies and policies adopted

New accounting standards adopted during the period

Amendments to IAS 1 – Non-current Liabilities with Covenants (Amendments to IAS 1)

- Effective on January 1, 2024, the amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. This amendment did not have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

- Effective on January 1, 2024, the amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. This amendment did not have a material impact on the Company's consolidated financial statements.

Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

- Effective on January 1, 2024, the amendment clarifies to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. This amendment did not have a material impact on the Company's consolidated financial statements.

Accounting standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below.

- IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that represents an entity's assets, liabilities, equity, income and expenses. The Company has not yet assessed the impact of IFRS 18 on the Company's consolidated financial statements.
- On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments focus on areas such as the recognition and derecognition of financial assets and liabilities, the assessment of the "sole payments of principal and interest" criterion, and disclosures for instruments with contractual terms that can change cash flows, including those linked to ESG targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company has not yet assessed the impact of these amendments on the Company's consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are discussed below.

a) Going concern risk assessment

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation properties when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

b) Impairment of long-term assets

The evaluation if an impairment test in accordance with IAS 36 needs to be performed on its long-term assets requires judgment in determining whether it is likely that future economic benefits will be achieved at certain mining properties, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written down in profit or loss in the consolidated statement of comprehensive loss in the period when the new information becomes available.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements.

a) Asset retirement obligations

The Company assesses its asset retirement obligations annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the allowance. At the date of the statement of financial position, asset retirement obligations represent management's best estimate of the charge that will result when the actual obligations are terminated.

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Key sources of estimation uncertainty (Continued)

b) Flow-through private placements

The flow-through premium liability reflect premiums received by the Company from the issuance of flow-through shares. On issuance, if there is a concurrent flow-through and non flow-through private placement, the Company allocates the premium paid between the flow-through and non flow-through private placement as the flow-through premium liability. If there is no concurrent non flow-through private placement, the Company allocates the proceeds to the fair value of the share capital and warrants on a pro rata basis, with the residual being allocated to the flow-through premium, which is recognized as a liability. This determination and allocation is subjective and does not necessarily provide a reliable measure of fair value.

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash, restricted cash, and marketable securities are classified as FVTPL; receivables and security and contract deposits as amortized cost; and trade and other payables as amortized cost.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

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

The following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy as at December 31, 2024 and 2023:

December 31, 2024	Level 1	Level 2	Level 3	Total
Cash	$ 1,211,478	$ -	$ -	$ 1,211,478
Restricted cash	$ 588,973	$ -	$ -	$ 588,973
Marketable securities	$ 11,605	$ -	$ 10,000	$ 21,605

December 31, 2023	Level 1	Level 2	Level 3	Total
Cash	$ 2,793,796	$ -	$ -	$ 2,793,796
Marketable securities	$ 50,000	$ -	$ 10,000	$ 60,000

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company manages security and contract deposits by placing the funds in a major insurance company. Included in receivables is $577,564 (December 31, 2023 - $1,237,160) owing from the Canada Revenue Agency and Revenu Québec. Management of the Company believes it has minimal credit risk. Remaining receivables are due from a third party and the Company assesses for recoverability quarterly and records an allowance for doubtful accounts for any amounts deemed unrecoverable (see note 8).

6. FINANCIAL INSTRUMENTS (Continued)

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. The current liabilities of the Company as of December 31, 2024 equal $2,996,705 (December 31, 2023 - $6,987,620).

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.
ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Interest earned on cash is at nominal interest rates. The Company is not exposed to the risk of changes in fair value arising from interest rate fluctuations.
iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk on its marketable securities and the gold price.

d) Capital management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

The Company considers its capital to be equity, which is comprised of share capital, share-based payments reserve and deficit, which as at December 31, 2024 totalled $8,742,027 (December 31, 2023 – $8,765,799).

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the years ended December 31, 2024 and 2023.

(Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES

As at December 31, 2024, marketable securities consisted of shares in publicly traded or reporting issuer companies with a cost of $60,000 (December 31, 2023 - $60,000) and a fair value of $21,605 (December 31, 2023 - $60,000).

During the year ended December 31, 2024, the Company recorded an unrealized loss on marketable securities of $38,395 (2023 - $nil) as the value of these securities decreased.

8. RECEIVABLES

As at,		December 31, 2024		December 31, 2023
Sales tax receivable	**$**	**193,574**	$	810,362
Exploration tax credits receivable		**383,990**		426,798
Other receivables		**576,912**		282,544
Total receivables	**$**	**1,154,476**	$	1,519,704

Below is an aged analysis of the Company's other receivables:

As at,		December 31, 2024		December 31, 2023
1 - 90 days	**$**	**559,147**	$	263,057
Over 90 days		**17,765**		19,487
Total other receivables	**$**	**576,912**	$	282,544

At December 31, 2024, an allowance has been recorded against these receivables in the amount of $179,650 (December 31, 2023 - $179,650) in unpaid rent related to the Bachelor Camp. During the year ended December 31, 2023, the tenant did not pay rent for the month of June 2023 of $150,000 as forest fires prevented access to the property. The tenant submitted a claim to its insurance company and Bonterra has recorded an allowance for bad debt pending resolution.

The credit risk on the receivables has been further discussed in note 6(a). The Company holds no collateral for any receivable amounts outstanding as at December 31, 2024 and 2023. Subsequent to December 31, 2024, the Company has received $177,475 of sales taxes receivable, $nil of exploration tax credits receivable and $526,164 of the other receivable as at December 31, 2024.

9. SECURITY AND CONTRACT DEPOSITS

As at December 31, 2024, the Company had $2,649,958 (December 31, 2023 - $3,000,431) in deposits with the Government of Québec for the settlement of asset retirement obligations and security deposits, comprised of $60,001 (December 31, 2023 - $142,301) in deposits with Hydro Québec and $2,589,957 (December 31, 2023 - $2,858,130) to a third party insurance provider to cover the Company's bonds with the Government of Québec. During the year ended December 31, 2020, the Company engaged an insurance provider to cover the Company's bonds with the Government of Québec. Under this arrangement, the Company was required to put a certain percentage of the bonds value up as collateral to the insurance provider. In return, the insurance provider paid the required deposits to the Government of Québec on behalf of the Company. As at December 31, 2024, the Company has paid a total collateral of $989,938 (December 31, 2023 - $743,006) for the Barry property and $1,600,019 (December 31, 2023 - $2,115,124) for the Bachelor property. The Company's collateral requirement is 40% (December 31, 2023 – 48%) of the bond value.

During the year ended December 31, 2024, the Company received a net refund of $268,173 (2023 – net payment of $1,311,179) related to reduced collateral requirements.

(Expressed in Canadian Dollars)

10. PROPERTY, PLANT AND EQUIPMENT

Cost	Mill infrastructure and related equipment	Underground infrastructure and related equipment	Exploration and related equipment	Total
Balance, December 31, 2022	$ 11,748,770	$ 5,681,500	$ 9,071,177	$ 26,501,447
Additions	-	-	-	-
Disposals	(125,000)	(1,089,200)	(144,500)	(1,358,700)
Balance, December 31, 2023	**11,623,770**	**4,592,300**	**8,926,677**	**25,142,747**
Disposals	**-**	**-**	**(155,400)**	**(155,400)**
Balance, December 31, 2024	**$ 11,623,770**	**$ 4,592,300**	**$ 8,771,277**	**$ 24,987,347**
Depreciation				
Balance, December 31, 2022	$ 844,315	$ 1,906,900	$ 3,305,142	$ 6,056,357
Depreciation	148,000	195,000	572,000	915,000
Disposals	(104,154)	(971,184)	(111,797)	(1,187,135)
Balance, December 31, 2023	**888,161**	**1,130,716**	**3,765,345**	**5,784,222**
Depreciation	**140,000**	**245,000**	**524,600**	**909,600**
Disposals	**-**	**-**	**(63,714)**	**(63,714)**
Balance, December 31, 2024	**$ 1,028,161**	**$ 1,375,716**	**$ 4,226,231**	**$ 6,630,108**
Net book value, December 31, 2023	$ 10,735,609	$ 3,461,584	$ 5,161,332	$ 19,358,525
Net book value, December 31, 2024	**$ 10,595,609**	**$ 3,216,584**	**$ 4,545,046**	**$ 18,357,239**

Depreciation for the year ended December 31, 2024 is reflected as $524,400 (2023 - $478,665) recorded in exploration and evaluation expenditures and $385,200 (2023 - $436,335) recorded in mill and mine care and maintenance costs on the consolidated statements of comprehensive loss.

11. EXPLORATION AND EVALUATION PROPERTIES

a) Gladiator Property

(i) Coliseum Property

During the year ended May 31, 2010, the Company acquired a 100% interest in claim blocks in Québec near a gold project owned by Gold Fields, Windfall Lake. The property is subject to a 2% net smelter return royalty ("**NSR**") of which 0.5% can be purchased by the Company for $1,000,000.

(ii) West Arena Property

The Company entered into an option agreement on September 15, 2010, and as amended on February 8, 2011, and March 19, 2012, to acquire a 100% interest in additional mineral claims adjacent to the Coliseum property in Québec.

The agreement is subject to a 2% NSR of which 1% can be purchased for $500,000.

On November 7, 2013, the Company sold an additional 1% NSR.

11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) Gladiator Property (Continued)

(iii) East Arena Property

On December 30, 2010, the Company closed a property purchase agreement entered into on December 10, 2010 to acquire a 100% interest in mineral claims east of the Urban-Barry Township in Québec. The agreement is subject to a 2% NSR of which 1% may be purchased for $1,000,000.

(iv) St-Cyr Property

On February 23, 2016, the Company entered into an agreement to acquire a 100% interest in the St-Cyr property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(v) West Lacroix Lake Property

On February 23, 2016, the Company entered into an agreement to acquire a 100% interest in the West Lacroix Lake property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(vi) Lac Barry Property

On March 10, 2016, and as amended March 30, 2017, the Company entered into an option agreement with Golden Valley Mines Ltd. ("**Golden Valley**") (acquired by Gold Royalty Corp. in November 2021) to acquire an 85% interest in Golden Valley's Lac Barry property, located in Québec.

Golden Valley retains a 15% interest in the property and a 3% NSR, of which 1% can be purchased by the Company for $1,000,000.

(vii) Macho South Property

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Macho South property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(viii) Barry Property

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Barry property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(ix) Bailly Property

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Bailly property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

(x) Thubière Property

On March 10, 2017, the Company entered into an agreement to acquire a 100% interest in the Thubière property, located in Québec.

11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) Gladiator Property (Continued)

(xi) Lac Mista Property

On March 14, 2017, the Company entered into an agreement to acquire a 100% interest in the Lac Mista property, located in Québec. The vendors retain a 2% gross overriding royalty reserve on the property, of which 1% may be repurchased by the Company for $1,000,000.

(xii) Duke Property

The Duke property is subject to an underlying 2.3% NSR, of which 1% can be purchased for $1,000,000. In November 2023, the Company and Osisko signed a new earn-in and joint venture agreement which includes the Duke Property. See Note 11e) below.

(xiii) Panache Property

On March 25, 2019, the Company entered into an option agreement to acquire a right to a new property called Panache, consisting of one mining claim north of the Barry property. The Company acquired the property by making a cash payment of $25,000 (paid on March 28, 2019) and issued 10,000 common shares (issued on March 28, 2019 and valued at $19,500) on closing, to the arm's length vendors and an additional cash payment of $50,000 (paid on March 19, 2020) and 15,000 common shares (issued on March 19, 2020 and valued at $11,400) before the one-year anniversary of the agreement.

(xiv) Lapointe Property

On March 9, 2020, the Company entered into a purchase agreement and acquired a new property called the Lapointe property consisting of nine new claims, contiguous with the Company's Urban-Barry properties located southwest of the Barry gold deposit. To acquire the property, the Company made a cash payment of $10,000.

(xv) Claim 5278116

Claim 5278116 is located near the Gladiator deposit. It is subject to NSRs of 1%, 2% and 3%.

b) Barry Property

(i) Barry

The Company holds a 100% interest in mining lease and titles of the Barry gold deposit. It is subject to a 3% NSR.

(ii) Barry United

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to NSRs of 1% to 4%.

(iii) Barry Extension

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to a 2% NSR, half of which may be repurchased by the Company for $1,000,000, and the other half at conditions to be agreed upon by the parties.

11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

b) Barry Property (Continued)

(iv) Barry Souart

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to a 2% NSR, half of which may be repurchased by the Company for $500,000, payable in cash or by the issuance of shares at the option of the seller.

c) Bachelor Camp Property

(i) Moroy

The Company holds a 100% interest in mining titles located near the Bachelor Mill (closed mill owned 100% by the Company). The whole area is subject to a 1.25% NSR. In addition, certain mining titles are subject to an additional 2% NSR, half of which may be repurchased for $1,000,000.

(ii) Nelligan

The Company has a joint venture ("JV") with a third party in which Bonterra holds a 70% interest in mining titles located near the Bachelor Mill. Pursuant to the JV, if the participating interest of any Party is reduced to at or below 20%, the JV will terminate and the non-participating party will be entitled to a 2% NSR royalty of which 1% interest may be repurchased by the contributing party for $1,000,000 CAD. The mining titles are currently subject to a 2% NSR, half of which may be repurchased for $1,000,000. During the year ended December 31, 2024, the Company received $50,158 (2023 - $Nil) based on expenditures incurred by the Company from the JV partner.

(iii) Coniagas

The Company holds a 100% interest in a mining lease located near the Bachelor Mill.

(iv) Waswanipi

During the year ended December 31, 2020, the Company staked 231 claims north and west of the Bachelor Mill.

d) Other Properties

(i) Wahnapitei

The Company holds a 90% interest in a property comprised of mining leases and concessions located in Sudbury, Ontario. The remaining 10% can be purchased for $1,000,000 by the Company.

e) Joint Venture with Gold Fields Related to the Gladiator, Barry, Duke and Lac Barry Properties

On November 28, 2023, the Company executed a definitive earn-in and joint venture agreement with Osisko (the **"Phoenix JV"**). Under the agreement, Osisko has the right to acquire up to a 70-per-cent interest in the Company's Gladiator and Barry projects, in addition to the adjoining Duke and Lac Barry properties held through joint venture agreements with Gold Fields and Gold Royalty Corp., respectively, and that is being split according to the proration of the Phoenix JV.

On October 28, 2024, Gold Fields completed the acquisition of Osisko consolidating ownership of the Windfall project and becoming the operator on the mineral properties of the Phoenix JV.

During the year ended December 31, 2023, pursuant to the terms of the agreement, Osisko paid the Company initial upfront payments totalling $5,000,000 (received).

11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

e) Joint Venture with Gold Fields Related to the Gladiator, Barry, Duke and Lac Barry Properties (Continued)

Specific terms of the agreement include:

- Gold Fields can earn a 70-per-cent interest in the properties, reducing the Company's interest in the Gladiator, Barry and Duke properties to 30 per cent and its interest in the Lac Barry joint venture to 15 per cent by incurring $30 million in work expenditures on the properties, with a minimum spending commitment of $10 million per year over the three-year period following the execution of the agreement;
- Gold Fields will have the right to carry overwork expenditures from year to year, and to pay cash in lieu of expenditures in the event of a shortfall;
- Gold Fields will be the operator for the properties during the exploration earn-in period;
- Once a 70-per-cent interest in the properties is earned by Gold Fields, the properties will be operated as a joint venture, with Gold Fields as the operator, and each party required to contribute to future work expenditures in accordance with the proportional interests in the joint venture;
- On January 18, 2024, the Company incorporated a subsidiary called UB Phoenix Corp. ("**Subco**"). As part of the agreement, Gold Fields will own 70-per-cent interest of certain assets including existing surface infrastructure, surface mining assets, plants and equipment once the earn-in is completed. These assets along with the properties are being transferred to the Subco and will be 100% owned by Bonterra until the earn-in is completed.
- Dilution of a party to less than 10 per cent of the joint venture will result in the conversion of their respective joint venture interest to a 1-per-cent net smelter return royalty, 50 per cent of which is subject to a buyback right of $1-million; and
- In its sole discretion, Gold Fields may accelerate its exercise of the earn-in right.

As payment for its role as the Company's financial adviser in connection with the joint venture, during the year ended December 31, 2023, Cormark Securities Inc. received an advisory fee of $200,000 in cash and 1,162,115 shares with a value of $200,000 in common shares of the Company.

As at December 31, 2024, $18,000,000 in work expenditures have been incurred by Gold Fields.

Transaction Costs

During the year ended December 31, 2023, the Company incurred $628,259 in fees in connection of the closing of the Phoenix JV transaction.

NSR's related to exploration properties on the Barry and Bachelor Camp properties:

On September 29, 2017, Metanor Resources Inc. ("**Metanor**"), a predecessor company, entered into an amending agreement with Sandstorm Gold Royalties, effectively reducing the then existing gold stream on the Bachelor mine (which required Metanor to sell 20% of its gold production at the fixed price of US$500 per ounce) and replacing it with a 3.9% NSR on all minerals produced from the Bachelor and Barry properties (including the surrounding exploration properties held by Metanor at September 29, 2017). 2.1% of the NSR can be repurchased upon payment of US$2M for each property, thereby reducing the NSR to 1.8%.

(Expressed in Canadian Dollars)

11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

Exploration and evaluation expenditures:

A summary of exploration and evaluation expenditures for the year ended December 31, 2024 and 2023 is as follows:

Year ended December 31, 2024

	Gladiator	Duke	Barry	Moroy	Desmaraisville	Bachelor	Urban	Other properties	Total
Drilling and assays	-	-	-	-	525,928	-	-	85,247	**611,175**
Depreciation	394,950	-	129,450	-	-	-	-	-	**524,400**
Geological, consultingand wages	67,572	3,453	608,413	-	968,215	204,340	45,176	7,561	**1,904,730**
Camp costs, travel and other	71,331	7,594	403,096	244,026	820,607	52,894	10,833	29,832	**1,640,213**
Environmental	190	-	404,523	-	1,174	57,374	175	-	**463,436**
Quebec mining taxes	-	-	-	-	(330,000)	-	-	-	**(330,000)**
JV payments received	-	-	-	-	-	-	-	(50,158)	**(50,158)**
Technical studies	70,132	-	99,957	-	-	-	2,748	-	**172,837**
Accretion	-	-	95,000	-	-	248,000	-	-	**343,000**
Change in estimate of asset retirement obligation	-	-	271,000	-	-	752,000	-	-	**1,023,000**
Total exploration and evaluation expenditures	604,175	11,047	2,011,439	244,026	1,985,924	1,314,608	58,932	72,482	**6,302,633**

Year ended December 31, 2023

	Gladiator	Duke	Barry	Moroy	Desmaraisville	Bachelor	Urban	Other properties	Total
Drilling and assays	80,433	431,443	1,748,476	-	3,627,503	8,124	689,505	-	**6,585,484**
Depreciation	385,332	-	93,333	-	-	-	-	-	**478,665**
Geological, consultingand wages	223,468	58,572	2,029,268	60,461	1,663,237	14,399	219,571	20,269	**4,289,245**
Camp costs, travel and other	26,673	172,908	1,753,141	197,827	681,676	52,452	52,258	22,613	**2,959,548**
Environmental	3,085	-	15,627	-	-	54,043	-	-	**72,755**
Joint venture payments	-	(250,965)	(4,371,741)	-	-	-	-	-	**(4,622,706)**
Quebec mining taxes	-	-	(2,646,429)	-	(231,222)	-	-	-	**(2,877,651)**
Technical studies	-	-	24,023	-	-	-	-	-	**24,023**
Change in estimate of asset retirement obligation	-	-	1,123,000	-	-	3,443,000	-	-	**4,566,000**
Total exploration and evaluation expenditures	718,991	411,958	(231,302)	258,288	5,741,194	3,572,018	961,335	42,882	**11,475,363**

Miscellaneous income

The Company has earned income as a result of renting certain of its camps during the year to third parties. The rental income earned during the year has been recognized as miscellaneous income in the consolidated statements of comprehensive loss.

Included in exploration and evaluation expenditures for the year ended December 31, 2024 is depreciation of $524,400 (2023 - $478,665). The Company has applied for exploration tax credits for exploration work done between 2020 and 2023. In the event that the Company receives any additional exploration tax credits it has claimed, these amounts will likely increase the amount the Company's flow-through expenditure requirements. The exploration and evaluation expenditures for the year ended December 31, 2024 are net of $330,000 (2023 - $2,877,651) in exploration tax credits receivable from Revenu Québec. As at December 31, 2024, $383,990 is receivable (December 31, 2023 - $426,798).

During the year ended December 31, 2023 the Company recognized income from gold sales from precious metals sold from the Company's Bachelor Mill cleanup process of $3,522,135 from 1,372 ounces of gold. After deducting costs related to the sale, the Company recorded net income of $3,021,120 under other items in the consolidated statement of comprehensive loss for the year ended December 31, 2023. There were no gold sales during the year ended December 31, 2024.

(Expressed in Canadian Dollars)

12. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 and 90 days.

The following is a breakdown of the trade and other payables:

	As at,			
	December 31, 2024		December 31, 2023	
Trade payables	**$**	**1,778,229**	$	6,073,717
Accrued liabilities and other payables		**792,476**		913,903
Total trade and other payables	**$**	**2,570,705**	$	6,987,620

13. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

For the year ended December 31,		**December 31, 2024**		December 31, 2023
Short-term compensation				
Salaries, management and director fees	**$**	**1,255,000**	$	1,301,000
		1,255,000		1,301,000
Share-based payments		**724,000**		683,000
	$	**1,979,000**	$	1,984,000

Included in trade and other payables at December 31, 2024 was $109,122 (December 31, 2023 - $220,096) due to officers and or directors for expense reimbursements and unpaid fees. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

14. FLOW-THROUGH PREMIUM LIABILITY

Flow-through premium liability consists of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuance.

Balance, December 31, 2022	**$ 3,940,144**
Settlement of flow-through premium liability by incurring expenditures	**(3,940,144)**
Balance, December 31, 2023	**-**
Liability incurred on flow through shares issued May 2024	**1,024,000**
Liability incurred on flow through shares issued December 2024	**372,000**
Settlement of flow-through premium liability by incurring expenditures	**(970,000)**
Balance, December 31, 2024	**$ 426,000**

At December 31, 2024, the Company had a remaining commitment to incur exploration expenditures of approximately $1,211,000 (December 31, 2023 - $nil) in relation to its flow-through share financing.

Details of recent flow-through shares issued is below:

For the year ended December 31, 2024

On May 3, 2024, the Company issued 5,250,000 flow-through units of the Company at a price of $0.445 per unit. The premium paid by investors was calculated as $0.195 per share. Accordingly, $1,024,000 was recorded as flow-through premium liability.

(Expressed in Canadian Dollars)

14. FLOW-THROUGH PREMIUM LIABILITY (Continued)

On December 12, 2024, the Company issued 2,722,391 flow-through units of the Company at a price of $0.40 per unit. The premium paid by investors was calculated as $0.137 per share. Accordingly, $372,000 was recorded as flow-through premium liability.

15. ASSET RETIREMENT OBLIGATIONS

The Company's past production and current exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations to protect public health and the environment. The Company has recorded the asset retirement obligations based on management's best estimates of future costs, based on information available on the reporting date.

Best estimates of future cost are the amount the Company would reasonably pay to settle its obligation on the closing date of the project.

The future costs are discounted using the risk-free interest rate of the Company and are recorded as liabilities. The asset retirement obligations are adjusted for accumulated accretion in accordance with the expected timing of payment of the cash flows required to settle these obligations. Revisions made to the reclamation obligation were primarily a result of an increase in expected costs of reclamation activities relative to the quotations received.

a) Changes in obligations

The following table sets forth the changes in the asset retirement obligations:

As at,	**December 31, 2024**	December 31, 2023
Balance, beginning of year	**$ 11,100,000**	$ 6,534,000
Accretion expense	**343,000**	214,000
Change in estimate for asset retirement obligations	**1,023,000**	4,352,000
Balance, end of year	**$ 12,466,000**	$ 11,100,000

b) Information used in the calculation of obligations

The total inflated and undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs is $15,715,101 (December 31, 2023 - $13,300,922), which has been inflated using inflation rates of 2.27% (December 31, 2023 – 2.18%). The total provision is calculated using discount rates of 3.33% (December 31, 2023 – 3.02%). The schedule of payments was determined by considering the resources that the Company considers highly likely to be able to convert into reserves of related mining properties and the estimated annual production level. The Company plans to settle these obligations during the financial year ending in 2038 for the Barry site and 2048 for the Bachelor Mill Complex.

c) Distribution of asset retirement obligations

The following table sets forth the breakdown in the asset retirement obligations between the sites:

As at,	**December 31, 2024**	December 31, 2023
Barry site	**$ 3,270,000**	$ 2,904,000
Bachelor Mill Complex	**9,196,000**	8,196,000
	$ 12,466,000	$ 11,100,000

16. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During year ended December 31, 2024

On December 12, 2024, the Company closed a non-brokered private placement for gross proceeds of $1,088,956. The Company issued 2,722,391 flow-through units ("FT Unit") of the Company at a price of $0.40 cents per FT Unit. Each FT Unit consists of one common share of the Company and one-half common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder to purchase one common share of the Company at a price of $0.31 at any time on or before December 12, 2026.

Commission and other share issue costs of $111,252 were incurred.

On May 3, 2024, the Company closed a private placement for gross proceeds of $8,541,250. The Company issued (i) 5,250,000 FT Units of the Company to purchasers at a price of $0.445 per FT Unit for gross proceeds of $2,336,250; and (ii) 24,820,000 units of the Company (each, a "Unit") at a price of $0.25 per Unit for gross proceeds of $6,205,000. Each Unit and FT Unit consists of one common share of the Company and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder to purchase one common share of the Company at a price of $0.31 at any time on or before May 3, 2028.

Commission and other share issue costs of $917,754 were incurred.

In connection with the May 2024 private placement, the Company issued to the agents warrants to purchase an aggregate of 2,004,500 common shares of the Company at a price of $0.25 per share exercisable for a period of four years from closing.

On May 2, 2024, the Company settled $1,500,000 in outstanding indebtedness owed to an arm's length vendor through the issuance of 6,000,000 shares with a value of $1,500,000 ($0.25 per share).

Restricted cash:

Of the gross proceeds raised from the December 2024 private placement, $588,973 was kept by the Company in a segregated restricted account (Restricted Funds) with the Company's lawyers, not to be made available until certain conditions were satisfied. Those conditions include fulfilling all pre-existing flow-through commitments and additionally, the restricted amount has been incurred for eligible expenses. The conditions were not satisfied as at December 31, 2024, and $588,973 Restricted Funds were classified as Restricted Cash on the Company's consolidated statement of financial position. The amount was released subsequently to year end.

During the year ended December 31, 2023

As payment for its role as the Company's financial adviser in connection with the joint venture as described in note 11, Cormark Securities Inc. received 1,162,115 shares of the Company with a value of $200,000.

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

For the	**Year Ended December 31, 2024**		Year Ended December 31, 2023	
	Number of Warrants	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	**-**	$ -	-	$ -
Issued	**33,435,696**	**0.31**	-	-
Outstanding, end of year	**33,435,696**	**$ 0.31**	-	$ -

The following warrants were outstanding and exercisable as at December 31, 2024:

Expiry Date	**Weighted Average Remaining Contractual Life in Years**	**Exercise Price**	**Outstanding**
May 3, 2028	3.34	$ 0.31	30,070,000
May 3, 2028	3.34	$ 0.25	2,004,500
December 12, 2026	1.95	$ 0.31	1,361,196
	3.28	$ 0.31	33,435,696

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its warrants issued. The fair value of each warrant issued was calculated using the following assumptions for the year ended December 31, 2024:

	Year Ended December 31, 2024
Expected life (years)	2.00 - 4.00
Risk-free interest rate	2.98% - 3.73%
Expected annualized volatility	64% - 78%
Dividend yield	0%
Stock price	$0.225 - $0.29
Exercise price	$0.25- $0.31
Weighted average grant date fair value	$0.08 - $0.16

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical closing prices to estimate the volatility of the share price.

d) Stock options

The Company has an incentive compensation plan to grant securities to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to securities at any one time may not exceed 10% of the issued common shares of the Company as of that date, including securities granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period. As at December 31, 2024, the Company had 5,530,000 (December 31, 2023 - 4,980,762) options remaining available for issuance under the plan.

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

The following is a summary of option transactions under the Company's stock option plan for the year ended December 31, 2024 and 2023:

For the	**Year Ended December 31, 2024**		Year Ended December 31, 2023	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	**7,755,000**	**$ 1.09**	9,110,000	$ 1.33
Transactions during the year:				
Granted	**3,620,000**	**0.23**	1,770,000	0.345
Expired/Cancelled/Forfeited	**(290,000)**	**1.70**	(3,125,000)	1.38
Outstanding, end of year	**11,085,000**	**$ 0.79**	7,755,000	$ 1.09
Exercisable, end of year	**10,335,000**	**$ 0.77**	6,255,000	$ 1.07

The following table provides additional information about outstanding stock options at December 31, 2024:

Range of Exercise Prices ($)	**No. of Options Outstanding**	**Weighted Average Exercise Price ($)**	**Weighted Average Remaining Life (Years)**	**No. of Options Exercisable**	**Weighted Average Exercise Price of Exercisable ($)**
0.20 – 0.50	5,740,000	0.29	3.95	5,615,000	0.28
1.16 – 1.54	5,345,000	1.33	1.43	4,720,000	1.34
0.20 – 1.54	**11,085,000**	**0.79**	**2.74**	**10,335,000**	**0.77**

On December 23, 2024, the Company granted 750,000 stock options to an officer of the Company at an exercise price of $0.225. These stock options have a 5-year life and vested immediately.

On September 3, 2024, the Company granted 300,000 stock options to a director of the Company at an exercise price of $0.285. These stock options have a 5-year life and vested immediately.

On March 17, 2024, the Company granted 1,970,000 stock options to directors and officers of the Company at an exercise price of $0.24. These stock options have a 5-year life and vested immediately.

On February 1, 2024, the Company granted 600,000 stock options to various employees, officers and directors of the Company at an exercise price of $0.20. These stock options have a 5-year life and vested immediately.

On May 5, 2023, the Company granted 1,770,000 stock options to various employees, officers and directors of the Company at an exercise price of $0.345. These stock options have a 5-year life and vested immediately.

During the year ended December 31, 2024, 290,000 (2023 – 3,125,000) options expired unexercised with a weighted average exercise price of $1.70 (2023 – $1.38).

Subsequent to year end, 790,000 stock options were cancelled due to the resignation of certain employees and directors.

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

d) Stock options (Continued)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each option grant was calculated using the following assumptions:

Year Ended December 31,	**2024**	2023
Expected life (years)	**5**	5
Risk-free interest rate	**2.94%-3.67%**	3.02%
Expected annualized volatility	**63%-67%**	61%
Dividend yield	**N/A**	N/A
Stock price at grant date	**0.20-0.285**	0.345
Exercise price	**0.20-0.285**	0.345
Weighted average grant date fair value	**$0.112-$0.165**	$0.187

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical closing prices to estimate the volatility of the share price.

Share-based payment expense related to vesting of stock options during the year ended December 31, 2024 amounted to $641,000 (2023 - $710,000).

(e) Restricted share units

The Restricted Share Unit Plan (the "**RSU Plan**") provides for the grant of restricted share units (each, an "**RSU**") convertible into a maximum number of common shares equal to ten per cent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten per cent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common share or payment in cash for the equivalent thereof based on the greater of the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date and the closing price on the grant date or date immediately prior thereto. Payment in cash is entirely at the discretion of the Company. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals.

Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in share-based payment reserve.

(Expressed in Canadian Dollars)

16. SHARE CAPITAL (Continued)

(e) Restricted share units (Continued)

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSUs
Balance, December 31, 2023 and 2022	-
Granted	1,050,000
Balance, December 31, 2024	1,050,000

On January 2, 2024, the Company granted to certain officers of the Company an aggregate of 750,000 RSUs of the Company pursuant to the Company's RSU Plan. The RSUs are subject to a one-year vesting period from the date of the grant. Subsequent to year end, on January 2, 2025, the 750,000 RSUs vested and the corresponding common shares were issued.

On December 23, 2024, the Company granted to an officer of the company 300,000 RSUs of the Company pursuant to the Company's RSU Plan. The RSUs are subject to a one-year vesting period from the date of the grant.

Share-based payment expense related to vesting of RSUs during the year ended December 31, 2024 amounted to $154,765 (2023 - $nil).

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Year ended December 31,		**2024**		2023
Interest received	**$**	**160,479**	$	172,679
Interest paid	**$**	**(15,454)**	$	(9,552)
Fair value of shares issued for debt	**$**	**(1,500,000)**	$	-
Fair value of broker warrants issued	**$**	**(323,000)**	$	-

18. SEGMENTED DISCLOSURE

The Company operates several exploration and evaluation properties in Québec, as well as a past producing gold mine and mill that has been put on care and maintenance. These operating sites are managed separately given their different locations. The Company assesses the performance of each segment. Accounting policies for each segment are the same as those used for the preparation of the consolidated financial statements.

For the years ended December 31, 2024 and 2023, the Company's two operating segments were mining site care and maintenance and mineral exploration. All other costs are considered corporate administration costs.

Year ended December 31, 2024		**Mining Site**		**Exploration**		**Corporate**		**Total**
Mill and mine care and maintenance	**$**	**723,256**	**$**	**-**	**$**	**-**	**$**	**723,256**
Exploration and evaluation		**-**		**6,302,633**		**-**		**6,302,633**
Recovery of flow-through premium liability		-		**(970,000)**		-		**(970,000)**
Miscellaneous income		**-**		**(466,578)**		**-**		**(466,578)**
Loss on disposal of property, plant and equipment		**-**		**91,686**		**-**		**91,686**
Administration*		**-**		**-**		**3,843,740**		**3,843,740**
Net loss	$	723,256	$	4,957,741	$	3,843,740	$	9,524,737

(Expressed in Canadian Dollars)

18. SEGMENTED DISCLOSURE (Continued)

Year ended December 31, 2023	Mining Site	Exploration	Corporate	Total
Mill and mine care and maintenance	$ 1,520,774	$ -	$ -	$ 1,520,774
Exploration and evaluation	-	11,475,363	-	11,475,363
Gold sales, net	(3,021,120)	-	-	(3,021,120)
Miscellaneous income	-	(2,209,493)	-	(2,209,493)
Recovery of flow-through premium liability	-	(3,940,144)	-	(3,940,144)
Gain on disposal of property, plant and equipment	-	(28,635)	-	(28,635)
Administration*	-	-	3,806,796	3,809,796
Net (income) loss	$ (1,500,346)	$ 5,297,091	$ 3,806,796	$ 7,603,541

* Administration costs include salaries, management and director fees, office, general and other, professional fees, rent, share-based payments, shareholder communication and investor relations, transfer agent and filing fees, travel, interest income and accretion expense.

19. COMMITMENTS AND CONTINGENT LIABILITIES

a) The Company had entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination and change of control, the officers and consultants are entitled to certain amounts payable.

As at December 31, 2024, the Company had three (December 31, 2023 – three) of these types of agreements with officers of the Company that totalled annual base fees of $695,000 and US$150,000 (December 31, 2023 – $695,000 and US$150,000). In the case of termination, the officers are entitled to an amount equal to $613,000 and US$150,000 (December 31, 2023 – $593,000 and US$150,000) and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to $1,535,000 and US$150,000 (December 31, 2023 – $1,145,000 and US$150,000).

b) On September 9, 2013, the MRNF approved the update of the restoration plan of the Bachelor Mine. The reclamation bond required is $4,000,104 which has been covered by insurance bonds as at December 31, 2024 and December 31, 2023 (note 9). The Company filed a new closure plan of the Bachelor mine in 2024 following the submission of previous version in May 2023. The insurance bond will be determined once the closure plan has been approved by the MRNF. In February 2024, the MRNF approved the update of the restoration plan of the Barry mine and bonding requirements as follows: $563,606 by May 2024 (paid), $281,802 by February 2025 (paid subsequent to year end) and $281,802 by February 2026.

20. INCOME TAXES

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

Year ended December 31,	**2024**	2023
Loss before income taxes	$ **(9,524,737)**	$ (7,603,541)
Statutory income tax rate	**26.50%**	26.50%
Income tax benefit computed at statutory tax rate	**(2,524,055)**	(2,014,938)
Items not deductible (taxable) for income tax purposes	**225,348**	190,200
Renunciation of eligible expenditures	**586,775**	3,221,230
Adjustment with respect to prior period	**168,000**	(199,910)
Recovery of flow-through premium liability	**(257,050)**	(1,044,138)
Change in unrecognized benefit of deferred income tax assets	**1,800,982**	(152,444)
Deferred income tax expense	$ **-**	$ -

(Expressed in Canadian Dollars)

20. INCOME TAXES (Continued)

The following is the analysis of recognized deferred tax assets and liabilities:

Year ended December 31,	2024	2023
Deferred tax liabilities		
Property, plant and equipment	$ **(761,000)**	$ -
Deferred tax assets		
Canadian development expense carried forward	**761,000**	-
Net deferred tax assets (liabilities)	$ **-**	$ -

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

As at December 31,	2024	2023
Non-capital losses carried forward	$ **165,063,000**	$ 159,368,000
Net capital losses carried forward	$ **1,623,000**	$ 1,604,000
Canadian development expense carried forward	$ **30,555,000**	$ 32,858,000
Asset retirement obligations	$ **12,466,000**	$ 11,100,000
Share issue costs	$ **1,816,000**	$ 1,990,000
Property, plant and equipment	$ **29,184,000**	$ 25,427,000

The significant components of the Company's deductible temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position expire as follows:

As at December 31,	2024	2023
Non-capital losses carried forward	**2029 – 2044**	2029 – 2043
Net capital losses carried forward	**None**	None
Canadian development expense carried forward	**None**	None
Asset retirement obligations	**None**	None
Share issue costs	**2025 – 2028**	2024 – 2026
Property, plant and equipment	**None**	None

As at December 31, 2024, the Company has capital losses of $3,227,000 (2023 - $3,227,000) available for carry-forward to reduce future years' capital gains.

(Expressed in Canadian Dollars)

20. INCOME TAXES (Continued)

As at December 31, 2024, the Company has federal non-capital losses of $165,063,000 (2023 - $159,368,000) and Québec non-capital losses of $174,678,000 (2023 - $166,112,000) available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

	Federal	Québec
2029	$ **8,021,000**	$ **12,994,000**
2030	**10,717,000**	**10,896,000**
2031	**8,822,000**	**9,454,000**
2032	**6,604,000**	**5,988,000**
2033	**1,370,000**	**1,365,000**
2034	**2,213,000**	**2,199,000**
2035	**3,836,000**	**3,819,000**
2036	**6,272,000**	**5,830,000**
2037	**47,379,000**	**49,080,000**
2038	**7,715,000**	**8,214,000**
2039	**21,407,000**	**19,847,000**
2040	**9,864,000**	**11,283,000**
2041	**10,472,000**	**10,467,000**
2042	**13,613,000**	**13,613,000**
2043	**1,034,000**	**1,034,000**
2044	**5,724,000**	**5,724,000**
	$ **165,063,000**	$ **174,678,000**

21. SUBSEQUENT EVENTS

On April 7, 2025, the Company closed a non-brokered private placement pursuant to which the Company sold 1,625,000 units of the Company at a price of $0.20 per unit for gross proceeds of $325,000. Each unit consists of one common share of the Company and one half of one common share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company at a price of $0.26 for a period of two years from the date of closing. Finders' fees in the amount of $19,500 were paid to an arms' length finder.

The gross proceeds from the private placement will be used to fund exploration activities on the Company's projects and for general working capital.