CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025 AND 2024

(Expressed in US dollars)

(Unaudited)

Notice to Reader

These condensed interim financial statements of Majestic Gold Corp. have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - expressed in US dollars)

	Note	March 31, 2025 - $ -	December 31, 2024 - $ -
ASSETS			
Current assets			
Cash and cash equivalents	*5*	107,594,581	100,738,547
Receivables	*6*	4,211,933	1,572,455
Deposits and prepaid expenses	*7*	1,131,650	1,036,473
Inventory	*8*	3,769,504	2,509,641
		116,707,668	105,857,116
Investments	*9*	173,900	173,750
Reclamation deposits	*7*	4,593,568	2,909,043
Property, plant and equipment	*10*	132,218,490	77,833,034
Exploration and evaluation assets	*11*	455,483	759
Deferred tax assets		1,116,535	1,114,951
Other long-term assets	*12*	176,662	36,882
Goodwill	*4*	8,178,353	-
		263,620,659	187,925,535
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	*13*	30,422,451	5,356,875
Current portion of long-term liabilities	*17*	2,652,709	1,138,013
Income taxes payable		15,633,992	13,041,275
Loans payable	*14*	9,634,772	-
		58,343,924	19,536,163
Asset retirement obligation	*15*	6,370,728	3,797,626
Deferred tax liability		11,153,778	2,418,297
Long-term loans payable	*16*	7,090,914	-
Other long-term liabilities	*17*	11,653,814	2,454,781
		94,613,158	28,206,867
EQUITY			
Share capital	*19*	122,763,213	122,763,213
Reserves	*19*	10,786,768	9,864,767
Deficit		(22,319,329)	(24,697,133)
Equity attributable to owners of parent		111,230,652	107,930,847
Equity attributable to non-controlling interests	*24*	57,776,849	51,787,821
Total equity		169,007,501	159,718,668
		263,620,659	187,925,535
Commitments	*17*		

Approved by the Directors:
"John Campbell"
"Stephen Kenwood"

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Comprehensive Income
(Unaudited - expressed in US dollars)

	Note	Three months ended March 31, 2025 - $ -	2024 - $ -
Revenue	*21*	19,480,955	15,563,660
Cost of sales			
Operating expenses	*21*	6,925,476	5,422,709
Depreciation and depletion	*10,21*	2,224,508	1,854,934
Gross profit		10,330,971	8,286,017
General and administrative	*21*	1,928,161	1,603,229
Exploration and evaluation expenditures	*11*	-	4,378
Operating profit		8,402,810	6,678,410
Other items			
Finance expense	*21*	120,278	98,951
Interest and other income		(398,419)	(642,020)
Foreign exchange (gain) loss		24,420	(39,924)
Other expenses		2,733	-
		(250,988)	(582,993)
Net income before income tax		8,653,798	7,261,403
Income tax expense		(2,546,004)	(2,120,560)
Net income for the period		6,107,794	5,140,843
Other comprehensive income (loss)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation to the presentation currency		11,581	(347,659)
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		265,576	(225,666)
Total other comprehensive loss for the period		277,157	(573,325)
Total comprehensive income for the period		6,384,951	4,567,518
Net income for the period attributable to:			
Owners of the parent		3,050,694	2,640,441
Non-controlling interests		3,057,100	2,500,402
		6,107,794	5,140,843
Comprehensive income for the period attributable to:			
Owners of the parent		3,299,805	2,110,402
Non-controlling interest		3,085,146	2,457,116
		6,384,951	4,567,518
Net income per share attributable to owners of the parent- basic and diluted		0.00	0.00
Weighted average number of common shares outstanding - basic and diluted		1,042,664,381	1,042,664,381

The accompanying notes from an integral part of these condensed consolidated interim financial statements.

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - expressed in US dollars)

		Attributable to owners of the parent							
	Number of shares	Share capital - $ -	Share-based payment reserve - $ -	Special Reserves - $ -	Foreign currency translation - $ -	Deficit - $ -	Total - $ -	Non-controlling interest - $ -	Total equity - $ -
Balance, December 31, 2023	1,042,664,381	122,763,213	11,593,055	6,596,430	(8,006,429)	(27,200,323)	105,745,946	46,555,419	152,301,365
Statutory surplus reserve	-	-	-	559,836	10,970	(570,806)	-	-	-
Safety fund surplus reserve	-	-	-	53,464	(44)	(53,420)	-	-	-
Comprehensive income									
Net income for the period	-	-	-	-	-	2,640,441	2,640,441	2,500,402	5,140,843
Other comprehensive loss	-	-	-	-	(530,039)	-	(530,039)	(43,286)	(573,325)
Total comprehensive income for the period	-	-	-	-	(530,039)	2,640,441	2,110,402	2,457,116	4,567,518
Balance, March 31, 2024	1,042,664,381	122,763,213	11,593,055	7,209,730	(8,525,542)	(25,184,108)	107,856,348	49,012,535	156,868,883

		Attributable to owners of the parent							
	Number of shares	Share capital - $ -	Share-based payment reserve - $ -	Special Reserve - $ -	Foreign currency translation - $ -	Deficit - $ -	Total - $ -	Non-controlling interest - $ -	Total equity - $ -
Balance, December 31, 2024	1,042,664,381	122,763,213	11,593,055	8,828,092	(10,556,380)	(24,697,133)	107,930,847	51,787,821	159,718,668
Statutory surplus reserve	-	-	-	679,042	(12,146)	(666,896)	-	-	-
Safety fund surplus reserve	-	-	-	6,836	(842)	(5,994)	-	-	-
Non-controlling interest at acquisition	-	-	-		-	-	-	2,903,882	2,903,882
Comprehensive income									
Net income for the period	-	-	-	-	-	3,050,694	3,050,694	3,057,100	6,107,794
Other comprehensive income	-	-	-	-	249,111	-	249,111	28,046	277,157
Total comprehensive income for the period	-	-	-	-	249,111	3,050,694	3,299,805	3,085,146	6,384,951
Balance, March 31, 2025	1,042,664,381	122,763,213	11,593,055	9,513,970	(10,320,257)	(22,319,329)	111,230,652	57,776,849	169,007,501

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - expressed in US dollars)

	Three months ended March 31, 2025	2024
	- $ -	- $ -
Cash provided from (used for):		
Operating activities:		
Net income for the period	6,107,794	5,140,843
Items not involving cash:		
Depreciation and depletion	2,324,656	1,949,791
Finance expense	80,473	98,951
Income tax expense	2,546,004	2,120,560
Changes in non-cash working capital balances:		
Receivables	496,548	(1,808,428)
Deposits and prepaid expenses	(95,177)	(131,915)
Inventory	88,343	115,899
Accounts payable and accrued liabilities	(2,732,299)	(2,374,210)
Current portion of long-term liabilities	(9,035)	-
Effect of foreign exchange on working capital	(28,618)	(103,006)
Net Income tax paid	-	(3,588,077)
Interest paid	-	(40,262)
Net cash provided from operating activities	8,778,689	1,380,146
Investing activities:		
Expenditures on property, plant and equipment	(768,995)	(1,343,083)
Net acquisition cost for subsidiary	(927,557)	-
Reclamation deposits	(1,180)	(1,369)
Net cash used for investing activities	(1,697,732)	(1,344,452)
Financing activities:		
Repayment of advances to related parties	(5,906,945)	-
Non-controlling interests distribution	-	(1,408,292)
Non-controlling capital contribution	-	1,408,292
Other long-term liability payments	(66,233)	(44,348)
Loan advance	5,715,162	-
Net cash used for financing activities	(258,016)	(44,348)
Effect of foreign exchange on cash	33,093	(472,538)
Net increase in cash and cash equivalents	6,856,034	(481,192)
Cash and cash equivalents, beginning	100,738,547	97,971,465
Cash and cash equivalents, ending	107,594,581	97,490,273

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. Nature of operations

Majestic Gold Corp. (the "Company" or "Majestic") is incorporated under the laws of the province of British Columbia, Canada. The Company's is listed on the TSX Venture Exchange ("TSX-V") where its common shares trade under the symbol "MJS". The Company's corporate office, principal address and the registered and records office is located at 306 – 1688 152nd Street, Surrey, British Columbia, Canada, V4A 4N2.

Majestic is a mining company focused on the exploration, development, and operation of mining properties in China.

On February 28, 2025 ("Closing Date"), the Company completed the acquisition of 52% equity interest in Yantai Mujin Mining Co., Ltd. ("Yantai Mujin") and the Mujin Gold Project, through its 70.5% indirect owned subsidiary, Majestic Yantai Gold Ltd and 70.5% indirect owned subsidiary, PRG Res HK 2 Limited ("Mujin Acquisition"), resulting in Majestic holding a 36.66% net interest in Yantai Mujin (Note 4).

2. Basis of preparation and material accounting policies

Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") issued and outstanding as at May 28, 2025, the date the board of directors approved these consolidated financial statements for issue.

Basis of preparation

The unaudited condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable.

Since these unaudited condensed consolidated interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024.

The unaudited condensed consolidated interim financial statements are presented in US dollars ("USD") unless otherwise noted.

Basis of consolidation

The unaudited condensed consolidated interim financial statements include the accounts of the Company and its controlled entities. All inter- company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

The net interest of the Company's most significant subsidiaries are presented below:

	Country of incorporation	Percentage as at March 31, 2025		Percentage as at December 31, 2024		Principal activities
		Direct	Indirect	Direct	Indirect	Indirect
Persistence Resources Group Ltd.	Cayman	70.5%	-	70.5%	-	Investment holding
Majestic Yantai Gold Ltd.	BVI	-	70.5%	-	70.5%	Investment holding
PRG Res Holding 1 Ltd.	BVI	-	70.5%	-	70.5%	Investment holding
PRG Res Holding 2 Ltd.	BVI	-	70.5%	-	70.5%	Investment holding
PRG Res HK 1 Ltd.	Hong Kong	-	70.5%	-	70.5%	Investment holding
PRG Res HK 2 Ltd.	Hong Kong	-	70.5%	-	70.5%	Investment holding
Yantai Zhongjia Mining Co., Ltd.	China	-	52.875%	-	52.875%	Mining and processing and sale of gold
Yantai Mujin Mining Co., Ltd.	China	-	36.66%	N/A	N/A	Mining and processing and sale of gold

2. Basis of preparation and material accounting policies (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Company, liabilities assumed by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Company's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Company performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. Basis of preparation and material accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

a) The useful lives of property, plant, and equipment

Depreciation is calculated on the straight-line basis to depreciate the cost of each item of plant and equipment and Right-of-use assets ("ROU") to its residual value over its estimated useful life. Useful lives are determined based on management's past experience with similar assets, estimated changes in technologies and in the case of mining related plant and equipment, estimated mine lives. If the estimated useful lives change significantly, adjustment of depreciation will be provided in the future year.

The useful lives of the Company's mineral property and mining infrastructure are based on indicated gold resource and probable reserve estimates based on a certain grade cut-off level. Assumptions that influenced cut-off grade include the expected future price of gold, projected operating costs and discount rates. Changes to these assumptions and further analysis of the Company's gold resource and reserve estimates could significantly impact the expected useful lives of the Company's mineral property and related infrastructure.

b) Asset retirement obligation

The asset retirement obligation is based on projected future costs associated with mine reclamation and closure activities on the Company's Songjiagou ("SJG") Open-Pit Mine, SJG Underground Mine and the Mujin Gold Project. These estimates are based on current Chinese environmental laws and regulations. Future changes to such laws and regulations as well as changes to the Company's intended mining operations could significantly impact this provision.

c) Impairment of the Company's mining assets

When assessing whether there are indicators of impairment of the Company's mining property and related assets, the Company considers internal and external factors, including:

(i) Market factors such as a decrease in the price of gold or an increase in market interest rates:
(ii) Whether the carrying value of the Company's net assets exceeding the Company's market capitalization; and
(iii) The net cash flows generated by the assets being less than expected.

d) Other significant estimates

Other significant estimates where there is significant risk of material adjustments to assets and liabilities in future accounting periods include: determining the fair value measurements for financial instruments, the allocation of production costs to stockpiles of ore inventory and the recoverability of deferred income tax assets.

The Company estimates its income tax provision and deferred taxation in accordance with the prevailing tax rules and regulations, taking into account any special approvals obtained from the relevant tax authorities and any preferential tax treatment to which it is entitled in each location or jurisdiction in which the Company operates. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provisions in the period in which the determination is made.

2. Basis of preparation and material accounting policies (continued)

Use of estimates (continued)

d) Other significant estimates (continued)

Deferred tax assets are recognized for unused tax losses and deductible temporary differences, such as the provision for impairment of receivables, inventories and property, plant and equipment and accruals of expenses not yet deductible for tax purposes, to the extent that it is probable that taxable profits will be available against which the losses deductible temporary difference can be utilized.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Company's results or financial position.

Use of judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's financial statements are the following:

a) Functional currency

is the determination of functional currency. In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" (IAS 21") management determined that the functional currency of Yantai Zhongjia Mining Co., Ltd. ("Zhongjia") and all the other of the Company's Chinese subsidiaries is the Renminbi ("RMB") and the functional currency of Persistence Resources Group Ltd. ("Persistence") and Majestic Yantai Gold Ltd ("Majestic Yantai") is the Hong Kong dollar ("HKD"); and

b) Business combination

Management applies judgement in determining whether a set of activities and assets the Company acquires and obtains control of constitutes a business. This includes making judgements about whether the set of activities and assets consist of inputs and processes, including a substantive process, that when applied to those inputs, have the ability to create or significantly contribute to the creation of outputs that generate investment income or other income from ordinary activities.

The Company determined that on February 28, 2025, the acquisition date, Yantai Mujin Mining Co., Ltd. constitutes a business and that the Mujin Acquisition represented a business combination (Note 4).

3. New accounting standards, interpretations, and amendments

The Company has adopted the following new accounting standards, interpretations and amendments issued.

Amendments to IAS 21 -The Effects of Changes in Foreign Exchange

The amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Company's financial statements. Effective January 1, 2025, the Company adopted these amendments with no material impact on the financial statements.

New accounting standards, interpretations and amendments issued not yet applied

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2025, and have not been applied in preparing the Condensed Consolidated Financial Statements for the three-month period ended March 31, 2025.

3. New accounting standards, interpretations, and amendments (continued)

New accounting standards, interpretations and amendments issued not yet applied (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and disclosure in financial statements* ("IFRS 18"), which replaces IAS 1, *Presentation of financial statements*. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented in three defined categories (operating, investing and financing), and by specifying certain defined totals and subtotals. Where company-specific measures related to income statement disclosure are provided ("management-defined performance measures"), IFRS 18 requires additional disclosure around those management-defined performance measures in the financial statements. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 does not affect the recognition and measurement of items in the financial statements, nor does it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard to its financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS accounting standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries may consider the application of IFRS 19 in their financial statements.

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

In May 2024, the IASB issued amendments to update the classification and measurement requirements in IFRS 9 and related disclosure requirements in IFRS 7 as follows:

- Clarified the recognition and derecognition date of certain financial assets and liabilities and amended the requirements related to settling financial liabilities using an electronic payment system;
- Clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the sole payments of principal and interest criteria;
- New disclosures for certain instruments with contractual terms that can change cash flows;
- Additional disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs; and
- Amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted for certain provisions. The Company is currently assessing the effect of these amendments to its financial statements in future periods.

Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures

The amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the ISAB. However, the amendments are available for adoption now. The Company is currently assessing the effect of these amendments to its financial statements in future periods.

3. New accounting standards, interpretations, and amendments (continued)

New accounting standards, interpretations and amendments issued not yet applied (continued)

Amendments to IAS 21 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Company's financial statements.

4. Acquisition

Yantai Mujin Mining Co., Ltd.

On February 28, 2025 ("Closing Date"), the Company completed the acquisition of 52% equity interest in Yantai Mujin Mining Co., Ltd. and the Mujin Gold Project, through its 70.5% indirect owned subsidiaries, Majestic Yantai Gold Ltd and PRG Res HK 2 Limited ("PRG HK2"), resulting in Majestic holding a 36.66% net interest in Yantai Mujin.

The Mujin Gold Project consists of the following three gold properties: Denggezhuang Underground Gold Mine ("DGZ Mine"), the Houzhuang-Heiniutai Underground Gold Mine ("HH Mine") and the Chahe Underground Gold Mine ("CH Mine"), with the DGZ Mine being an operating underground gold mine located approximately 28 km from the Company's Songjiagou Gold Mine. The HH mine and CH mine are not in production.

As part of the Yantai Mujin Acquisition, the Company, through its subsidiaries, acquired the 52% interest of Yantai Mujin, for total consideration of $11.3M,(RMB 81.9M) which comprised of $4.0M (RMB 29.4M) for the Share Purchase and $7.3M (RMB 52.5M) for the Capital Increase. Upon completion of the Mujin Acquisition, the Yantai Mujin will become an indirect, non-wholly-owned subsidiary of the Company.

The Company has determined that this transaction represents a business combination under IFRS 3, with Company identified as the acquirer. In accordance with the acquisition method, the total purchase price was allocated to the identifiable assets acquired and liabilities assumed, based on their acquisition-date fair values.

The Company has appointed an independent valuation specialist to prepare Pro-forma Purchase Price Allocation ("PPA") of Yantai Mujin for determination of the fair values of certain assets acquired and liabilities assumed. The fair values of mineral properties and reclamation provisions were estimated using discounted cash flow models. The fair value of inventories was determined based on the future estimated cash flows from sales of payable metal produced and are adjusted for costs to complete and expected profit margin. The right-of-use assets and lease liabilities were recorded based on the present value of future lease payments over the expected term of the lease at the implicit interest rate. The fair values of plant and equipment were estimated using market or cost approaches.

(Unaudited - expressed in US dollars)

4. Acquisition (continued)

Yantai Mujin Mining Co., Ltd. (continued)

The following table summarizes the fair values of the identifiable assets acquired and liabilities assumed of Yantai Mujin as at the date of acquisition:

Assets	**Fair value recognized on acquisition**
Cash and cash equivalents	10,396,671
Receivables	3,134,851
Inventories	1,334,531
Reclamation deposits	1,666,655
Property, plant and equipment	55,362,602
Exploration and evaluation assets	451,323
Other long term assets	87,403
	72,434,036
Liabilities	
Accounts payable and accrued liabilities	(33,591,379)
Loans payable	(10,934,650)
Income taxes payable	(144,067)
Asset retirement obligation	(2,529,765)
Deferred income tax liabilities	(8,555,507)
Other long-term liabilities	(10,628,911)
	(66,384,279)
Fair value of net assets acquired	6,049,757
Non- controlling interest measured at fair value	(2,903,882)
Goodwill arising on acquisition	8,178,353
Purchase consideration transferred	11,324,228

Expected future cash flows, used to estimate the fair value of mineral properties, are based on estimates of future gold prices, projected future production, estimated quantities of ore reserves, metallurgical recovery estimates, expected future production costs, expected capital expenditures, and discount rates based on the life of mine plan at the transaction date. In the case of lease liabilities, estimates of expected future lease payments are based on estimated machine hours and minimum usage guarantees. The fair value of receivables, less any expected credit losses, and payables are equal to their gross contractual amounts at the transaction date. Expected future cash flows associated with the reclamation and closure cost provisions were based on estimates of the future expenditures required to settle the obligation for disturbances at the acquisition date and using a discount rate equal to the Company’s estimated cost of debt. The goodwill of $8.2M comprises the fair value of expected values arising from acquisition of the Yantai Mujin.

The initial accounting for this acquisition included in these condensed consolidated interim financial statements has been determined provisionally as the Company is awaiting for the final PPA Report in relation to other assets and intangible assets acquired in the transaction. The valuation has not been completed as of the date that these condensed consolidated interim financial statements were approved. Accordingly, the amounts of identifiable net assets and goodwill as stated above may be subsequently adjusted.

The Company has consolidated the operating results, cash flows and net assets of Yantai Mujin from March 1, 2025 to March 31, 2025 into these condensed consolidated interim financial statements. Yantai Mujin contributed revenue of approximately $1M and incurred a loss before tax of approximately $826,247. If the acquisition of Yantai Mujin had taken place on January 1, 2025, pro-forma consolidated revenue and profit before tax for the Company would have been approximately $20.9M and $8.2M respectively for the three months ended March 31, 2025.

(Unaudited - expressed in US dollars)

4. Acquisition (continued)

Yantai Mujin Mining Co., Ltd. (continued)

An analysis of the cash flows in respect of the acquisition of Yantai Mujin at the closing is as follows:

Cash consideration	(11,324,228)
Cash and bank balances acquired	10,396,671
Net outflow of cash and cash equivalents included in cash flows from investing activities	(927,557)
Transaction costs of the acquisition included in cash flows from operating activities	(809,880)
Total net cash outflow	(1,737,437)

5. Cash and cash equivalents

At March 31, 2025, the Company had cash and cash equivalents of $107,594,581 of which $11,644,723 is held in Canada, $12,181,497 is held in Hong Kong, and the remaining balance of $83,768,360 is held in China and is subject to local exchange control regulations. Chinese exchange control regulations provide for restrictions on exporting capital from China, other than through normal dividends.

6. Receivables

		March 31, 2025		December 31, 2024
Sales taxes receivable	$	8,889	$	5,452
Amount from Dahedong (Note 18)		1,362,644		1,361,469
Other receivables		2,840,400		205,534
Total	$	4,211,933	$	1,572,455

The amount due of $1,362,644 (HKD$11,986,134) from Yantai Dahedong Processing Co. Ltd. ("Dahedong") is interest-free and repayable on or before June 30, 2025 (Note 18).

7. Deposits and prepaid expenses

		March 31, 2025		December 31, 2024
Current:				
Prepayment for mining supplies and services	$	1,063,385	$	154,962
Rent deposit		12,643		15,225
Other prepayments and deposits		55,622		866,286
		1,131,650		1,036,473
Non-current:				
Reclamation deposits		4,593,568		2,909,043
Total	$	5,725,218	$	3,945,516

Reclamation Deposits

The Company is required to provide reclamation deposits in respect of its expected rehabilitation obligations at the SJG Open-Pit Mine and SJG Underground Mine, as well as the Mujin Gold Project.

8. Inventory

		March 31, 2025		December 31, 2024
Gold concentrate	$	660,218	$	168,417
Ore stockpile		1,186,764		1,124,099
Supplies and spares		1,922,522		1,217,125
Total	$	3,769,504	$	2,509,641

(Unaudited - expressed in US dollars)

9. Investments

		Available-for-sale Securities
Balance, December 31, 2024	$	173,750
Foreign exchange revaluation impact		150
Balance, March 31, 2025	$	173,900

On June 11, 2024, Majestic invested US$181,600 (CAD$250,000) in Allied Critical Metals Corp. through an equity financing by purchasing 2,500,000 common shares at CAD$0.10 per common share. On April 30, 2025, the shares of Allied Critical Metals Corp. began trading on the Canadian Securities Exchange under the symbol “ACM”.

10. Property, plant, and equipment

Songjiagou Open-Pit Mine

The Company’s principal mining property is the SJG Open-Pit Mine located in the Shandong Province of China. The Company commenced commercial gold production at the SJG Open-Pit Mine in May 2011. The Company’s mining permit for the SJG Open-Pit Mine has been renewed and is valid until May 17, 2031. The SJG Open-Pit Mine is owned by the Company’s subsidiary, Zhongjia. The Company’s interest in Zhongjia is held through its indirect 70.5% ownership of its subsidiary Majestic Yantai. Majestic Yantai holds 75% of the shares of Zhongjia. The remaining 25% of Zhongjia is held by Dahedong.

Songjiagou Underground Mine

The SJG Underground Mine is also owned by Zhongjia and lies immediately north of the SJG Open-Pit Mine, within the project’s exploration license boundary. The area underlain by precious metal mineralized vein structures was converted to a five-year, 0.414 sq. km. mining license that was granted on February 18, 2016. The Company’s mining permit for the SJG Underground Mine has been renewed and is valid until February 18, 2031.

Denggezhuang Underground Gold Mine

The DGZ Underground Gold Mine (“DGZ Mine”) is located in Yantai City, Shandong Province, approximately 28km from the SJG Open-Pit and SJG Underground Mines. DGZ Mine is an operating underground gold mine in commercial gold production, with a mining permit valid until July 18, 2038.

The DGZ Underground Mine is owned by the Company’s subsidiary Yantai Mujin. The Company, through its 70.5% owned subsidiaries, acquired a 52% equity interest in Yantai Mujin and the Mujin Gold Project, with its subsidiary, PRG HK2 holding 41% of the shares of Yantai Mujin and Majestic Yantai holding the remaining 11% interest.

As at March 31, 2025 and December 31, 2024, ROU included prepaid land leases and building leases.

(Unaudited - expressed in US dollars)

10. Property, plant, and equipment (continued)

	Motor Vehicles	Office furniture	Building	Machinery	Mining Infrastructure	Construction-in-progress	Mineral Property	Right of use lands	Total
Cost									
At December 31, 2023	$ 1,020,595	$ 977,617	$ 13,933,901	$ 28,917,037	$ 48,984,612	$ -	$ 21,979,680	$ 17,910,892	$ 133,724,334
Additions	79,768	761,908	366,421	992,359	5,860,050	-	-	177,599	8,238,105
Change in asset retirement cost	-	-	-	-	219,146	-	-	-	219,146
Disposal	(32,747)	(2,243)	-	-	-	-	-	-	(34,990)
Foreign exchange adjustment	(15,501)	(22,512)	(175,157)	(437,435)	(637,359)	-	(323,195)	(289,157)	(1,900,316)
At December 31, 2024	1,052,115	1,714,770	14,125,165	29,471,961	54,426,449	-	21,656,485	17,799,334	140,246,279
Additions	34,466	8,212	-	5,793	729,786	31,789	-	-	810,046
Acquired in Yantai Mujin acquisition	143,800	568,977	3,860,054	3,477,727	4,513,492	7,912,412	29,465,111	5,421,030	55,362,603
Disposal	-	-	(33,455)	-	-	-	-		(33,455)
Foreign exchange adjustment	2,558	6,703	49,175	68,078	110,222	59,595	252,772	66,078	615,181
At March 31, 2025	$ 1,232,939	$ 2,298,662	$ 18,000,939	$ 33,023,559	$ 59,779,949	$ 8,003,796	$ 51,374,368	$ 23,286,442	$ 197,000,654
Accumulated depreciation									
At December 31, 2023	$ (685,072)	$ (599,662)	$ (7,554,633)	$ (16,358,574)	$ (14,390,903)	$ -	$ (5,341,560)	$ (8,086,188)	$ (53,016,592)
Depreciation and depletion	(104,649)	(57,720)	(724,955)	(2,055,357)	(5,473,705)	-	(1,054,114)	(689,027)	(10,159,527)
Disposal	32,747	2,243	-	-	-	-	-	-	34,990
Foreign exchange adjustment	10,791	13,584	115,859	263,372	104,474	-	89,057	130,747	727,884
At December 31, 2024	(746,183)	(641,555)	(8,163,729)	(18,150,559)	(19,760,134)	-	(6,306,617)	(8,644,468)	(62,413,245)
Depreciation and depletion	(28,922)	(35,356)	(200,618)	(574,225)	(1,069,881)	-	(227,629)	(179,163)	(2,315,794)
Disposal	-	-	33,455	-	-	-	-	-	33,455
Foreign exchange adjustment	(1,044)	(884)	(11,502)	(25,448)	(26,748)	-	(8,824)	(12,130)	(86,580)
At March 31, 2025	$ (776,149)	$ (677,795)	$ (8,342,394)	$ (18,750,232)	$ (20,856,763)	$ -	$ (6,543,070)	$ (8,835,761)	$ (64,782,164)
Net book value									
At December 31, 2024	$ 305,932	$ 1,073,215	$ 5,961,436	$ 11,321,402	$ 34,666,315	$ -	$ 15,349,868	$ 9,154,866	$ 77,833,034
At March 31, 2025	$ 456,790	$ 1,620,867	$ 9,658,545	$ 14,273,327	$ 38,923,186	$ 8,003,796	$ 44,831,298	$ 14,450,681	$ 132,218,490

As at March 31, 2025 and December 31, 2024, certain of the Company's buildings were associated with land lease agreements with third parties which allow for the use of assets for the duration of the lease.

Additions for the three-month period ended March 31, 2025, include $41,051 in depreciation expense related to open-pit expansion work which has been capitalized to property, plant and equipment (December 31, 2024 - $203,616).

(Unaudited - expressed in US dollars)

11. Exploration and evaluation assets

	Mujin Gold Project Exploration Permits, China	Sunset-Sunrise Mineral Property, Canada	Total Exploration & Evaluation Assets
Balance at December 31, 2024	$ -	$ 759	$ 759
Acquired in Yantai Mujin acquisition	451,323	-	451,323
Foreign exchange adjustment	3,401	-	3,401
Balance at March 31, 2025	$ 454,724	$ 759	$ 455,483

Mujin Gold Project, China

On February 28, 2025, the Company acquired two exploration permits, the JLK exploration permit and the WS exploration permit as part of the Mujin Acquisition.

Sunset-Sunrise Property, Canada

In November 2019, the Company acquired the Sunset and Sunrise mineral claims which are located in the Cassiar District of British Columbia by making a payment of CAD$1,092.

The Company did not incur any exploration and evaluation expenditures during the three months ended March 31, 2025.

Exploration and evaluation expenditures recorded in the statements of comprehensive income for the three months ended March 31, 2024, are as follows:

Three months ended March 31, 2024	General Exploration
Assay and analysis	$ 2,153
Geological consulting	2,225
Total	$ 4,378

12. Other long-term assets

At March 31, 2025, the Company had long-term assets in the amount of $176,662 (December 31, 2024 - $36,882 (RMB 265,125)) which are comprised of advance payments for purchases of property plant and equipment.

13. Accounts payable and accrued liabilities

	March 31, 2025	December 31, 2024
Trade and other payables	$ 9,573,351	$ 4,986,146
Amounts due to related parties (Note 18)	20,383,207	51,332
Loan interest payables	22,334	-
Provisions	443,559	319,397
Total	$ 30,422,451	$ 5,356,875

The provisions consist of a provision for the relocation of villages surrounding the mine and a provision for penalties that arise from overdue tax payment and other penalties.

(Unaudited - expressed in US dollars)

13. Accounts payable and accrued liabilities (continued)

A continuity of the Company's provisions that are included in accounts payable and accrued liabilities are as follows:

	Provision for relocation	Provision for penalties	Total
Balance, December 31, 2024	125,974	193,423	319,397
Assumed in Yantai Mujin acquisition	-	273,279	273,279
Utilized during the year	-	(149,497)	(149,497)
Effect of foreign exchange	179	201	380
Balance, March 31, 2025	$ 126,153	$ 317,406	$ 443,559

14. Loans Payable

	March 31, 2025	December 31, 2024
Balance, beginning	$ -	$ 4,235,673
Loan repayments	-	(4,215,437)
Assumed in Yantai Mujin acquisition	9,540,557	-
Interest payable	22,334	-
Foreign exchange adjustment	71,881	(20,236)
Balance, ending	$ 9,634,772	$ -

At March 31, 2025, the loans outstanding, which were assumed in the Yantai Mujin acquisition, consist of:

(i) a $696,553 (RMB 5,000,000) one-year loan bearing interest at 4.70% per annum and repayable on October 17, 2025;

(ii) a $1,393,107 (RMB 10,000,000) one-year loan bearing interest at 5.00% per annum and repayable on June 29, 2025;

(iii) a $6,965,535 (RMB 50,000,000) one-year loan bearing interest at 4.00% per annum and repayable on August 26, 2025; and

(iv) a $543,312 (RMB 3,900,000) one-year loan bearing interest at 3.65% per annum and repayable on May 7, 2025.

(v) $13,931 (RMB 100,000) being current amount of long-term loans (Note 16); and

(vi) Interest payable of $22,334 (RMB 160,321)

15. Asset retirement obligation

The following table shows the movement for the asset retirement obligation:

	March 31, 2025	December 31, 2024
Balance, beginning	$ 3,797,626	$ 3,542,521
Additions and changes in estimates of net present value	-	219,146
Accretion (Note 21)	14,674	91,144
Assumed in Yantai Mujin acquisition	2,529,765	-
Foreign exchange adjustment	28,663	(55,185)
Balance, ending	$ 6,370,728	$ 3,797,626

The Company's asset retirement obligation consists of costs associated with mine reclamation and closure activities on the SJG Gold Project and the Mujin Gold Project (Note 10). The Mujin Gold Project asset retirement obligations were assumed in the Yantai Mujin Acquisition.

These activities, which are site specific, include costs for earthworks, re-contouring, re-vegetation, water treatment and demolition. In calculating the fair value of the Company's asset retirement obligations, the Company used a risk-free rates ranging from 1.4902% to 2.373% (2024 - 1.4116% and 1.5783%). The majority of the expenditures are expected to occur during or after 2029. As at March 31, 2025, the total undiscounted amount of estimated cash flows required to settle the Company's obligation was $7,750,300 (RMB 55,633,200).

(Unaudited - expressed in US dollars)

16. Long-term loans

At March 31, 2025, the long-term loans outstanding, which were assumed in the Yantai Mujin acquisition, consist of:

(i) a $1,393,107 (RMB 10,000,000) three-year loan bearing interest at 4.85% per annum and repayable on December 1, 2027; and

(ii) a $5,711,738 (RMB 41,000,000) six-year loan bearing interest at 4.00% per annum and repayable on March 25, 2031.

The amount of $13,931 (RMB 100,000) being current amount due of long-term loans is included in loan payable. (Note 14).

17. Other long-term liabilities

Other long-term liabilities are comprised of the following:

		March 31, 2025		December 31, 2024
Lease liability	$	-	$	18,914
Lease liability assumed in Yantai Mujin acquisition		64,165		-
Village distribution liability		791,962		816,189
Mining right obligation		1,638,577		1,619,678
Mining right obligation assumed in Yantai Mujin acquisition		9,159,110		-
Total	$	11,653,814	$	2,454,781

Current portion of other long-term liabilities are comprised of the following:

		March 31, 2025		December 31, 2024
Lease liability	$	104,033	$	112,917
Lease liability assumed in Yantai Mujin acquisition		4,340		
Village distribution liability		148,895		148,684
Mining right obligation		877,657		876,412
Mining right obligation assumed in Yantai Mujin acquisition		1,517,784		
Total	$	2,652,709	$	1,138,013

Lease liability

The Company has entered into an office lease agreement for its head office premise for a term ending in 2026. The undiscounted future lease payments are as follows:

		2025		2026		Total
Operating lease commitments:						
Office premises	$	86,885	$	19,307	$	106,192

Village distribution liability

Pursuant to agreements, the Company is required to make payments of RMB 1,068,800 ($148,684) per annum to certain individuals registered as villagers in the village adjacent to the SJG Open-Pit Mine until the year 2032. The liability reflects the present value of the required payments, discounted using the Company's incremental borrowing rate of 4.90% at the time of the agreements. As at March 31, 2025 the undiscounted future payments were $1,153,938 (RMB 8,283,200).

SJG Gold Project Mining right obligation

Pursuant to the mining right acquisition addendum signed on December 2, 2021, the Company is required to make an annual payment of RMB 6,300,000 ($876,412) until the year 2027. The liability reflects the present value of the required payments, discounted using the Company's incremental borrowing rate of 2.66%. As at March 31, 2025, the undiscounted future payments were $2,632,972 (RMB 18,900,000).

(Unaudited - expressed in US dollars)

17. Other long-term liabilities

Mujin Gold Project Mining right obligation

The Company is required to make an annual payments of RMB 9,560,280 ($1,331,849) for the DGZ mining right acquisition until the year 2033 and the final annual payment of RMB 2,511,275 ($349,847) in 2025 for the CH mining right acquisition. The liability in the above table reflects the present value of the required payments, discounted using the Company's incremental borrowing rate of 4.20%. As at March 31, 2025, the undiscounted future payments were $12,336,490 (RMB 88,553,795).

18. Related party transactions and balances

Related party transactions

The Company incurred the following related party transactions during the three months ended March 31, 2025 and 2024:

	Three months ended March 31, 2025	2024
Consulting fees charged by companies controlled by directors and officers of the Company-includes key management personnel compensation (Note 21)	$ 231,043	$ 255,131

Key management personnel compensation

Key management included the Company's directors, executive officers, and senior management.

	Three months ended March 31, 2025	2024
Short-term employee benefits–management fees	$ 223,725	$ 238,150
Director fees	47,114	34,568
	$ 270,839	$ 272,718

Related party balances

	March 31, 2025	December 31, 2024
Amounts due to companies controlled by Directors and Officers of the Company included in trade and other payables (Note 13)	$ 11,420	$ 51,332
Amounts due Yantai Mujin minority shareholders (Note 13)	20,371,787	-
Amounts due from Dahedong (Note 6)	(1,362,644)	(1,361,469)
	$ 19,020,563	$ (1,310,137)

Yantai Mujin minority shareholders hold 48% of Yantai Mujin.

Dahedong is a related party on the basis that it is controlled by significant shareholders of the Company.

19. Share capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Issued share capital

As at March 31, 2025, the Company had 1,042,664,381 common shares issued and outstanding (December 31, 2024 - 1,042,664,381).

c) Dividend

On August 29, 2024, the Company announced and declared a special dividend of CAD$0.007 per common share. On October 11, 2024, the Company paid a special dividend totaling CAD$7.3 million (CAD$0.007 per share) to shareholders on record at the close of business on September 27, 2024.

19. Share capital and Reserves (continued)

c) Stock Options

The Company has a shareholder approved "rolling" stock option plan (the "Plan") in compliance with the TSX-V's policies. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the discounted market price of the Company's stock at the date of grant. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not, within a twelve-month period, exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed, within a twelve-month period, two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

The Company did not have stock options issued, outstanding or exercisable for the three months ended March 31, 2025 and for the year ended December 31, 2024.

d) Reserves

Share-based payment reserve
The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments. This reserve also includes the value attributed to warrants on unit private placements. At the time that the stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

Foreign currency translation reserve
The foreign currency translation reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

Safety fund surplus reserve
Pursuant to a Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the People's Republic of China ("PRC") in February 2012, Zhongjia is required to establish a safety fund surplus reserve based on the volume of mineral ore extracted. The safety fund can only be transferred to retained earnings to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

Statutory surplus reserve
In accordance with the Company Law of the PRC and the Articles of Association of Zhongjia, Zhongjia is required to allocate 10% of its profit after tax determined under PRC accounting standards to the statutory surplus reserve until such reserve reaches 50% of the authorised share capital of Zhongjia. Subject to certain restrictions set out in the Company Law of the PRC, part of this reserve may be converted to increase the share capital, provided that the remaining balance after the capitalisation is not less than 25% of the authorized share capital.

20. Segmented Information

The Company operates in one industry segment being the exploration, development, and operation of mining properties in China. All of the Company's capital assets are located in China, except office furniture and equipment with a net book value of $4,154 and an ROU asset with a net book value of $18,691 located in the Company's head-office in Vancouver, Canada. The Company's exploration and evaluation assets are located in Canada and China (Note 11). All of the Company's revenues are earned in China.

Revenue for the three months ended March 31, 2025 and 2024, was from a single customer which amounted to 100% of the Company's revenue.

(Unaudited - expressed in US dollars)

21. Revenue and Expenses

Revenue

	Three months ended March 31, 2025	2024
Sales of gold bullion	$ 19,312,194	$ 15,381,900
Sales of sulfur	168,761	181,760
Revenue	$ 19,480,955	$ 15,563,660

Cost of sales

	Three months ended March 31, 2025	2024
Mining and Milling fees	$ 5,798,179	$ 4,136,643
Depreciation and depletion (Note 10)	2,224,508	1,854,934
Smelting costs	404,211	410,778
Resource taxes	795,240	553,521
Other direct costs	9,945	-
Changes in ending gold concentrate inventory	(82,099)	321,767
Total	$ 9,149,984	$ 7,277,643

General and administrative

	Three months ended March 31, 2025	2024
Consulting and management fees (Note 18)	$ 66,522	$ 151,507
Financial advisory	4,703	17,296
Depreciation (Note 10)	141,199	94,857
Office and general	341,946	306,736
Professional fees	74,082	57,621
Research and development	408,037	257,484
Salaries	662,708	517,730
Shareholder communications	81,097	63,440
Travel	147,867	136,558
Total	$ 1,928,161	$ 1,603,229

Finance expense

	Three months ended March 31, 2025	2024
Interest expenses and finances charges for banks loans payable	$ 76,159	$ 40,262
Interest expense for leases	994	604
Interest expense for other long-term liabilities	28,451	35,248
Accretion of asset retirement obligation (Note 15)	14,674	22,837
Total	$ 120,278	$ 98,951

22. Risks and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(Unaudited - expressed in US dollars)

22. Risks and capital management (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash, short-term investments and reclamation deposits held in bank accounts. The Company's short-term investments are held with major banks in Canada and the majority of cash is deposited in bank accounts held with major banks in Canada and China. The credit risk associated with cash held in Canada is reduced by management ensuring that the Company uses a major Canadian financial institution with strong investment grade ratings by a primary ratings agency. The credit risk associated with cash held in China is reduced, but not fully mitigated, by management using a financial institution that is operated by the Government of China.

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 plans to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in interest bearing accounts which are available on demand. Management believes the Company has sufficient cash on hand to finance operations for the next twelve months. The Company's accounts payable and accrued liabilities are generally due on demand. The maturity of the Company's loans are disclosed in Notes 14 and 16. The following summarizes the undiscounted amount of the remaining contractual maturities of the Company's financial liabilities.

	March 31, 2025				December 31, 2024
	Within a year	2-5 years	Over five years	Total	Total
Accounts payable and accrued liabilities	$ 30,422,451	$ -	$ -	$ 30,422,451	$ 5,356,875
Loans	9,634,772	1,393,107	5,697,807	16,725,686	-
Other long-term liabilities	2,635,560	11,593,478	409,462	14,638,501	3,953,688
Total	$ 42,692,783	$ 12,986,585	$ 6,107,269	$ 61,786,638	$ 9,310,563

Industry Risk

The Company is a mining company with a property and mining operations in China. Its mining activities involve numerous inherent risks. The Company is subject to various financial, equities markets, operational and political risks that could significantly affect its operations and cash flows. These risks include changes in local laws affecting the mining industry, a decline in the price of commodities, uncertainties inherent in estimating mineral resources and fluctuations in the foreign currencies against the US dollar. The Company does not use derivatives or hedging to mitigate the risk of changes in the price of gold or currency fluctuations.

The Company's business is highly dependent on the price of gold and venture capital markets, which are impacted by volatility factors the Company cannot control. A decrease in the price of gold could adversely affect the Company's financial condition, results of operations and cash flows. Lower gold prices may result in asset impairment, write-downs of mineral property carrying values and limitations in access to capital.

The Company operates in China and is exposed to the laws governing the mining industry in China. The Chinese government is currently supportive of the mining industry but there is uncertainty in future changes to government policies and regulations including taxation, repatriation of profits, restrictions on production, export controls, environmental compliance, and expropriation. These factors could adversely affect the Company's exploration efforts and production plans.

The Company's property is located in an area that can experience severe winter weather conditions which could adversely affect mining operations. In addition, the Company is subject to changes in environmental laws and regulations that may result in unexpected costs.

22. Risks and capital management (continued)

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and other commodity price risk. These are discussed further below:

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash and reclamation deposits held in bank accounts that earn interest at variable interest rates. The Company's loans payable accrues interest at fixed rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as of March 31, 2025.

Foreign exchange risk

The Company reports its financial statements in USD. The functional currency of its head office is CAD, the functional currency of all intermediate holding companies is HKD and the functional currency of its Chinese subsidiary is RMB. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies.

The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to currency risk affect net income is summarized as follows:

		March 31, 2025		December 31, 2024
Financial assets denominated in U.S. Dollars	$	9,237,447	$	12,203,190

As at March 31, 2025, with other variables unchanged, a 10% strengthening (weakening) of the USD against the Company's functional currencies, would have decreased (increased) net income by approximately $0.9 million (December 31, 2024 - $1.2 million).

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the functional currency of the entity completing the transaction or holding the funds. The Company does not manage currency risks through hedging or other currency-based derivatives. At March 31, 2025, the Company and its subsidiaries hold USD$9,237,447, exposing the Company to currency risk.

23. Financial Instruments

Fair Value

Management has assessed that the fair values of cash and cash equivalents, restricted and pledged deposits, financial assets included in prepayments, deposits and receivables, financial liabilities included in accounts payables, deposits received, amounts due to related parties, other long-term liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of other long-term assets and other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The following tables set forth the Company's financial assets and liabilities that are measured at fair value level on a recurring basis within the fair value hierarchy at March 31, 2025 and December 31, 2024 that are not otherwise disclosed. The assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(Unaudited - expressed in US dollars)

23. Financial Instruments (continued)

Fair Value

Financial assets	Level		March 31, 2025		December 31, 2024
Cash	1	$	107,594,581	$	100,738,547
Reclamation deposits	1		4,593,568		2,909,043
Receivables (1)	2		4,203,044		1,567,003
Other long-term assets	2		8,178,353		-
Investments	3		173,900		-
Total		$	124,743,446	$	105,214,593

(1) Receivables exclude sales and income tax receivables.

Financial liabilities	Level		March 31, 2025		December 31, 2024
Accounts payable and accrued liabilities	2	$	30,422,451	$	5,356,875
Interest-bearing bank borrowings	2		16,725,686		-
Other long-term liabilities	2		14,306,523		3,592,794
Total		$	61,454,660	$	8,949,669

There were no transfers into or out of Level 3 during the three months ended March 31, 2025 and the year ended December 31, 2024.

24. Non-controlling interest

Majestic holds 1,410,000,000 shares of Persistence, representing 70.5% of Persistence's outstanding shares on the HKEX. The 29.5% non-controlling equity interest of Persistence consists of 25% being the shares issued pursuant to the HKEX IPO and a 4.5% equity interest held by another minority shareholder

The Company's equity interest in Zhongjia is held indirectly through its 70.5% owned subsidiary Persistence by way of Persistence's 100% ownership interest in Majestic Yantai. Majestic Yantai has a 75% equity interest in Zhongjia. The non-controlling interest represents the 25% equity interest in Zhongjia held by Dahedong.

The Company's equity interest in Yantai Mujin is held indirectly through its 70.5% owned subsidiary Persistence by way of Persistence's 100% ownership interest in Majestic Yantai and PRG Res HK2. Majestic Yantai holds an 11% equity interest and PRG Res HK2 holds a 41% equity interest in Yantai Mujin. The non-controlling interest represents the 48% equity interest in Yantai Mujin held by two other shareholders.

The continuity of non-controlling interests is summarized as follows:

		Zhongjia		Yantai Mujin		Persistence		Total
Balance, December 31, 2024	$	23,648,486	$	-	$	28,139,335	$	51,787,821
Acquired in Yantai Mujin acquisition		-		2,903,882		-		2,903,882
Share of net income		1,686,186		(36,373)		1,407,287		3,057,100
Share of other comprehensive loss		32,593		22		(4,569)		28,046
Balance, March 31, 2025	$	25,367,265	$	2,867,531	$	29,542,053	$	57,776,849