

KAIROS GOLD INC.

Consolidated Financial Statements

For the period from the date of Incorporation on April 10, 2024 to December 31, 2024

To the Shareholders of Kairos Gold Inc.:

Opinion

We have audited the consolidated financial statements of Kairos Gold Inc. (the "Corporation"), which comprise the statement of financial position as at December 31, 2024, and the statements of loss and other comprehensive loss, changes in shareholders' equity and cash flows for the period from the date of incorporation on April 10, 2024 to December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2024, and its financial performance and its cash flows for the period from the date of incorporation on April 10, 2024 to December 31, 2024 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 Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Corporation does not have adequate cash resources to fund its operations over the next year and will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit 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.

Calgary, Alberta

April 30, 2025

MNP LLP

Chartered Professional Accountants

KAIROS GOLD INC.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	Notes	As at December 31 2024
Assets		
Current		
Cash		\$ 11,648
Due from related parties	9	199,493
		211,141
Mineral properties	5	4,748,265
Total assets		\$ 4,959,406
LIABILITIES		
Current		
Trade and other payables		\$ 26,317
Due to related party	9	105,720
Total liabilities		132,037
Shareholder's Equity		
Share capital	6	4,931,970
Accumulated other comprehensive income		18,953
Deficit		(123,554)
Total shareholders' equity		4,827,369
Total liabilities and shareholders' equity		\$ 4,959,406
Nature of operations and going concern	1	
Subsequent events	14	

Approved on behalf of the Board of Directors

"signed"

Al J. Kroontje

"signed"

Michelle DeCecco

KAIROS GOLD INC.
Consolidated Statement of Loss and Other Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	For the period from the date of incorporation on April 10, 2024 to December 31, 2024	
Expenses			
General and administrative	8	\$	121,885
Depreciation			1,669
			123,554
Loss for the period			(123,554)
Other comprehensive income			
Exchange differences on translation of subsidiary			18,953
Loss and other comprehensive loss for the period		\$	(104,601)
Loss per share - basic	7	\$	(0.00)

Kairos Gold Inc.**Consolidated Statement of Changes in Shareholder's Equity****For the period from the date of incorporation on April 10, 2024 to December 31, 2024***(Expressed in Canadian Dollars)*

	Notes	Share Capital	Accumulated Other Comprehensive Income	Deficit	Total
Balance, April 10, 2024		\$ –	\$ –	\$ –	\$ –
Shares issued for cash upon incorporation		1	–	–	1
Shares issued in exchange for assets	4	4,931,969	–	–	4,931,969
Loss for the period		–	–	(123,554)	(123,554)
Exchange differences on translation of subsidiary		–	18,953	–	18,953
Balance, December 31, 2024		\$ 4,931,970	\$ 18,953	\$ (123,554)	\$ 4,827,369

KAIROS GOLD INC.**Consolidated Statement of Cash Flows****For the period from the date of incorporation on April 10, 2024 to December 31, 2024***(Expressed in Canadian Dollars)*

	Notes	For the period from the date of incorporation on April 10, 2024 to December 31, 2024	
Cash provided by (used in):			
Operating activities			
Loss for the period		\$	(123,554)
Add items not affecting cash flow:			
Depreciation	5		1,669
Foreign exchange			57
Change in non-cash working capital			
Trade and other payables			16,148
Due to/from related parties			105,736
Cash flows provided by (used in) operating activities			56
Investing activities			
Cash acquired	4		11,591
Financing activities:			
Issuance of common shares	6		1
Cash flows provided by financing activities			
Increase in cash			11,648
Cash, beginning of period			-
Cash, end of period			\$ 11,648

KAIROS GOLD INC.

Notes to the Consolidated Financial Statements

For the Period From the Date of Incorporation on April 10, 2024 to December 31, 2024

1. Nature of Operations and Going Concern

Kairos Gold Inc. (the "Corporation" or "Kairos Gold"), a reporting issuer, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on April 10, 2024. The registered office is located at 700, 903 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 0P7

During the period ended December 31, 2024, the Corporation completed a series of transactions as part of a proposed plan of arrangement (the "Arrangement") discussed in Note 4.

Going Concern

Kairos Gold engages principally in the acquisition, advancement and development of mineral properties in Chile. The recovery of the Corporation's investment in these resource properties and the realization of profitable operations are dependent upon the discovery and development of economic reserves and the ability to arrange sufficient financing to bring these reserves into production. The ultimate outcome of these matters cannot presently be determined.

The consolidated financial statements have been prepared by management on a going concern basis which contemplates the realization of assets and the settlement of liabilities in the ordinary course of business. The business of mineral exploration requires financing to support future operating activities and the Corporation does not have adequate cash resources to fund its operations over the next year therefore will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due (see note 14 Subsequent Events). These conditions indicate the existence of uncertainty which may cast doubt on the Corporation's ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments may be necessary to the carrying amounts and the classification of the Corporation's assets and liabilities. The accompanying consolidated financial statements do not include any adjustments that may result if the Corporation is unable to continue as a going concern, and such adjustments could be material.

World Events

The conflicts in Ukraine and the Middle East and recent political tensions between the United States and many countries have contributed to significant volatility in financial and commodity markets. These ongoing events have impacted global commercial activity, including causing significant fluctuations in worldwide demand and prices for certain commodities. The duration and impact of the conflicts and political tensions and magnitude of the impact on the economy and financial effect on the Corporation is not known at this time.

2. Basis of Presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") in effect at April 10, 2024.

These consolidated financial statements, and the policies applied herein, were authorized for issue by the Board of Directors on April 29, 2025.

b) Basis of measurement

These consolidated financial statements have been prepared under the historical cost method.

c) Presentation and functional currencies

These consolidated financial statements are presented in Canadian dollars ("CAD"), which is the Kairos Gold Inc.'s functional currency. The functional currency of the Corporation's 100% owned subsidiary, Compañía Minera Kairos Chile SpA ("Minera Kairos"), is the Chilean Peso ("CLP").

Throughout these financial statements, USD refers to United States dollars.

2. Basis of Presentation *(continued)*

d) Consolidation

These consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, Minera Kairos, the consolidation of the two which are hereafter referred to as the "Corporation". The principal business of Minera Kairos is the acquisition and development of mineral properties in Chile.

Subsidiaries are entities controlled by the Corporation. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

e) Use of judgments and estimates

Management is required to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Management reviews these judgments, estimates and assumptions on an ongoing basis, including those related to fair values of financial instruments, recoverability of assets and income taxes. Actual results may differ from these estimates.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Judgments

Judgment is used in situations when there is a choice and/or assessment required by management. The following are critical judgments apart from those involving estimations (disclosed below), that management has made in the process of applying the Corporation's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Going concern

The assessment of the Corporation's ability to execute its strategy for exploration involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There is material uncertainty regarding the Corporation's ability to continue as a going concern.

Property title

Although the Corporation takes steps to verify title exploration and evaluation assets in which it has an interest, however, these procedures do not guarantee the Corporation's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Corporation. To the extent that management's assessment of the Corporation's ability to utilize future tax deductions changes, the Corporation would be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected.

Provisions

Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the period.

KAIROS GOLD INC.

Notes to the Consolidated Financial Statements

For the Period From the Date of Incorporation on April 10, 2024 to December 31, 2024

2. Basis of Presentation *(continued)*

Mineral properties

The application of the Corporation's accounting policy for mineral properties and related exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Mineral properties are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each consolidated statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities.

The Corporation's review considers the following:

- The period for which the Corporation has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources, and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered through successful development or by sale.

Estimates

Deferred Taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Corporation operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Corporation is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

3. Material Accounting Policy Information

a) Cash

Cash and cash equivalents, defined as being cashable within 90 days, is comprised of cash on deposit and highly liquid investments at a Canadian and a Chilean financial institution.

b) Mineral property expenditures

Exploration and evaluation expenditures for the Corporation's mineral properties include the costs of acquiring licenses, exploration and evaluation activity, and the fair value, at the date of acquisition, of mineral property exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Corporation has obtained legal rights to explore an area are recognized in net loss.

3. Material Accounting Policy Information *(continued)*

Acquisition costs, including general and administration costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploration or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Mineral properties are assessed for impairment if sufficient evidence exists to determine technical feasibility and commercial viability, and facts and circumstances suggest the carrying amount exceeds the recoverable amount. Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, mineral property exploration and evaluation assets attributable to the area of interest are first tested for impairment and then reclassified to mining property development assets within property and equipment.

Recoverability of the carrying amount of a mineral property is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

c) Fair value of financial instruments

The Corporation has classified its financial instrument fair values based on the required three level hierarchy:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities;
- Level 2: Valuations based on observable inputs other than quoted active market prices; and,
- Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flows methods.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

d) Share capital

Proceeds from the issuance of common shares are classified as equity in the statement of financial position. Incremental costs directly attributable to the issuance of shares are recognized as a deduction, net of any tax effects.

e) Per share amounts

Per share amounts are computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year.

Basic earnings per share is calculated by dividing profit or loss attributable to shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of common shares outstanding for the dilutive effect of the potential exercise of in-the-money stock options and warrants as though they occurred at the beginning of the year. The effect of stock options and warrants is anti-dilutive in loss periods.

f) Foreign operations

Foreign currency transactions are translated into the respective functional currencies of the Corporation and its subsidiary using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of income (loss).

The financial results and position of the subsidiary whose functional currency is different from the presentation currency are translated as follows:

- Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of a foreign subsidiary are transferred directly to the Corporation's exchange difference on translation of subsidiary in the consolidated statement of income (loss) and comprehensive income (loss) and are reported as a separate component of equity, accumulated other comprehensive income (loss).

KAIROS GOLD INC.

Notes to the Consolidated Financial Statements

For the Period From the Date of Incorporation on April 10, 2024 to December 31, 2024

4. Corporate Reorganization

Kairos Gold was incorporated as a wholly owned subsidiary of Lithium Chile Inc. ("LITH") on April 10, 2024.

During the period ended December 31, 2024, the Corporation was involved in a series of transactions as part of a proposed plan of Arrangement as approved at a meeting of the shareholders of LITH that took place on October 17, 2024.

- a) On December 4, 2024, following the transfer of the lithium assets from Minera Kairos to LITH's wholly owned Chilean subsidiary, Kairos Inversiones SpA, the Corporation acquired all of the issued outstanding shares of Minera Kairos from LITH.
- b) A share split was completed such that the number of issued and outstanding Kairos Gold common shares was equal to one-tenth (1/10) of the number of issued and outstanding LITH common shares on December 4, 2024.
- c) LITH distributed the Kairos Gold common shares as a dividend to the shareholders of LITH on a basis of one Kairos Gold share for every 10 shares of LITH for an aggregate value of \$4,931,939. The acquisition of Minera Kairos by Kairos Gold, was recorded at the following carrying values of the net assets of Minera Kairos on December 4, 2024:

Carrying amount of net assets (liabilities) acquired:

Cash	\$	11,591
Accounts receivable		88,386
Due from related party		110,144
Mineral properties (copper, gold, silver claims)		4,731,962
Trade and other payables		(10,114)
	\$	4,931,969

Consideration

Common shares of Kairos Gold	\$	4,931,969
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- d) The Corporation received conditional approval from the TSX Venture Exchange (the "TSXV") in its application for listing its common shares on the TSXV. Final approval from the TSXV is subject to, but not limited to, the successful completion of a financing in the minimum amount of \$1,050,000 (Note 14).

5. Mineral Properties

Balance, April 10, 2024	\$	–
Acquisition (Note 4)		4,731,962
Depreciation		(1,669)
Effect of foreign exchange translation		17,972
Balance December 31, 2024	\$	4,748,265

Mineral property description

The Corporation currently holds 100% title interest in 22,429 hectares of mineral claims comprising six discrete property packages with exploration potential to discover commercial deposits of copper and/or gold and/or silver through its Chilean subsidiary Minera Kairos.

Mineral property transactions

- On January 19, 2024, Minera Kairos entered into a Purchase Option Agreement (the "Option") with Mario Adrian Echeverria Araya, whereby the Corporation may earn 100% of Oro Brillante, a 100-hectare copper, gold and silver exploitation property in Chile. To fulfill the Corporation's obligations of the Option Agreement, three payments totalling CLP\$833,000,000 (approximately CAD\$1.2 million) were required.

The first two payments of CLP \$277,682,307 (a total of CAD\$804,723) were made in January and July 2024, prior to the acquisition (Note 4). The final CLP \$277,682,991 (CAD\$396,254) was made in January 2025, thereby fulfilling the Corporation's obligations under the Option Agreement (total CAD\$1,200,977).

KAIROS GOLD INC.**Notes to the Consolidated Financial Statements**

For the Period From the Date of Incorporation on April 10, 2024 to December 31, 2024

5. Mineral Properties (continued)*Mineral Property Expenditure Commitments*

- The 2025 capital exploration budget will be funded by a private placement completed in February 2025 (Note 14).
- Other than described above, the Mineral Properties do not require any minimum work or expenditure commitments. The Corporation is obligated to make annual tax payments of approximately US\$4.15/hectare to the Chilean government in relation to exploration concessions and approximately US\$27.66 in relation to exploitation claims. Claim costs relating to the CGS assets from December 4, 2024 to December 31, 2024 were \$nil.

6. Share Capital**a) Authorized:**

Unlimited number of common voting shares and preferred shares without nominal or par value.

The preferred shares may be issued in one or more series and the Corporations' Board of Directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued since the Corporation's inception.

b) Issued common shares:

In connection with the acquisition of Minera Kairos on December 4, 2024, the common shares of the Corporation were distributed to the shareholders of LITH on the basis of one Kairos Gold common share for every ten common shares of LITH.

Issued share capital is as follows.

	Number of shares	Amount
Share issued for cash upon incorporation	1	\$ 1
Share split and acquisition of Minera Kairos (Note 4)	20,632,765	4,931,969
	20,632,766	\$ 4,931,970

7. Loss Per Share**For the period from April 10, 2024 to December 31, 2024**

Loss for the period	\$	(123,554)
Basic earnings per share is calculated as follows:		
Weighted average number of shares (basic)		
Issued common shares at beginning of period		1
Effect of share split (Note 6)		20,632,765
Weighted average number of common shares - basic		20,632,766
Loss per share - basic	\$	(0.00)

8. General and Administrative Expenses by Nature**For the period from April 10, 2024 to December 31, 2024**

Office and corporate reorganization costs	\$	65,797
Professional fees		31,627
Business investigation and travel		12,512
Regulatory fees		11,949
	\$	121,885

KAIROS GOLD INC.
Notes to the Consolidated Financial Statements
For the Period From the Date of Incorporation on April 10, 2024 to December 31, 2024

9. Related Party Transactions

- a) The following are the related party transactions and balances for the period ended December 31, 2024:
- During the period ended December 31, 2024, \$105,720 of general and administrative expenses were incurred on behalf of the Corporation by a company related through common officers and directors, of which \$105,720 is included in the due to related party balance at December 31, 2024.
 - Included in the due from related party balance at December 31, 2024 are \$199,493 of pre-acquisition expenses incurred on behalf of three companies related to the Corporation through common officers and directors.

The above transactions were in the normal course of operations and were initially recorded at fair value.

- b) The Corporation considers officers and directors to be key management personnel. The Corporation did not incur any key management compensation during the period ended December 31, 2024.

10. Income Taxes

The provision for income taxes differs from the amount obtained by applying the combined Canadian federal and provincial income tax rate to the loss for the year. The differences relate to the following items:

For the period from April 10, 2024 to December 31, 2024	
Loss before income taxes	\$ 123,554
Corporation income tax rate	23%
Expected tax recovery	28,417
Change in deferred tax assets not recognized	(28,417)
Tax expense	\$ -

Details of unrecognized deductible temporary differences are as follows:

As at December 31	2024
Non-capital losses – Canada	105,812
Non-capital losses – Chile	17,742

11. Financial Risk Management

The Corporation, as part of its operations, carries financial instruments consisting of cash, accounts payable and other payables and amounts due to/from related parties. It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from this financial instrument.

There are no differences in the carrying values and fair values of the Corporation's financial instruments due to the short-term maturities and current interest rates.

Foreign currency risk

The Corporation is exposed to the risk of changes in the CAD/USD dollar exchange rate and in the USD/CLP exchange rate for services and geological costs that are denominated in CLP and converted to USD or directly influenced by USD benchmark prices. A hypothetical change of 10% to the foreign exchange rate between CAD/USD and USD/CLP would not have a material impact of the Corporation's loss during the period. At December 31, 2024, the Corporation had CLP\$8,039,109 (CAD\$11,647) on deposit at a Chilean financial institution.

KAIROS GOLD INC.
Notes to the Consolidated Financial Statements
For the Period From the Date of Incorporation on April 10, 2024 to December 31, 2024

11. Financial Risk Management

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Corporation had a cash balance of \$11,648 and \$79,104 of working capital.

The Corporation's financial liabilities at December 31, 2024 are comprised of \$26,317 of trade and other payables and \$105,720 of amounts due to related parties which are classified as current liabilities in the consolidated statement of financial position.

Interest rate risk

The Corporation has negligible interest rate risk due to its cash balances.

12. Management of Capital

The Corporation's capital currently consists of common shares and its principal source of cash is from the issuance of common shares. The Corporation's objective when managing capital is to safeguard the Corporation's ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders, and to have sufficient capital to be able to identify, evaluate and acquire an interest in a business or assets. The Corporation is not subject to any externally imposed capital requirements. The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

13. Segmented Information

The Corporation reports its financial results as two reportable segments. The Corporation is principally engaged in the acquisition, exploration and development of mineral properties in Chile.

The following table provides the Corporation's key financial data on a geographic basis:

Segment	Canada		Chile		Total
Current assets	\$	1	\$	211,140	\$ 211,141
Non-current assets	\$	–	\$	4,748,265	\$ 4,748,265
Current liabilities	\$	105,812	\$	26,225	\$ 132,037
Operating expenses	\$	105,812	\$	17,742	\$ 123,554

14. Subsequent events

Subsequent to the period ended December 31, 2024, the Corporation closed a non-brokered private placement of units (the "Units") at a price of \$0.20 per Unit. Closing involved the issuance of 6,825,000 Units for aggregate gross proceeds of \$1,365,000 (the "Offering"). Each Unit is comprised of one common share of the Corporation and one-half of a common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Corporation at a price of \$0.35 per share at any time prior to the date that is 36 months from the date of issuance of the Units. Warrants include an acceleration provision whereby if the common shares are listed on the TSXV and trade at a price greater than \$0.65 for a period of 10 trading days, the Corporation may accelerate the expiry of the warrants.

In connection with the closing of the Offering, the Corporation paid \$65,250 of cash commissions to qualified nonrelated parties and issued an aggregate of 326,250 broker warrants. Each broker warrant entitles the holder to acquire one common share at a price of \$0.20 per share for a period of one year from the date of issuance.