



ELECTRUM DISCOVERY

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2025

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2025. These condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

Electrum Discovery Corp.

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(Expressed in Canadian Dollars)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash	\$ 717,286	\$ 1,183,341
Prepaid expenses and deposits (Notes 4 and 9)	57,119	196,727
Sales tax receivables	103,525	70,241
Total current assets	877,930	1,450,309
Non-current assets		
Long-term deposits (Note 4)	72,500	61,000
Equipment (Note 5)	51,346	1,582
Exploration and evaluation assets (Note 6)	3,517,717	3,322,097
Total non-current assets	3,641,563	3,384,679
	\$ 4,519,493	\$ 4,834,988
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 311,538	\$ 248,532
Due to related parties (Note 9)	33,655	43,081
Total current liabilities	345,193	291,613
Non-current liabilities		
Long-term payables (Notes 9 and 10)	434,681	424,775
Total liabilities	779,874	716,388
Shareholders' equity		
Share capital (Note 7)	7,546,654	7,546,654
Other equity reserves (Note 7)	507,517	454,855
Deficit	(4,301,349)	(3,869,706)
Accumulated other comprehensive loss	(13,203)	(13,203)
Total shareholders' equity	3,739,619	4,118,600
	\$ 4,519,493	\$ 4,834,988

Nature of Operations and Going Concern (Note 1)

APPROVED ON BEHALF OF THE BOARD ON MAY 28, 2025:

"Dr. Elena Clarici" (Signed)
Dr. Elena Clarici, Director

"Michael Thomsen" (Signed)
Michael Thomsen, Director

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

Electrum Discovery Corp.

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)

(Expressed in Canadian Dollars)

	Three months ended March 31,	
	2025	2024
General and administrative expenses		
Accretion expense	\$ 9,906	\$ -
Audit and accounting fees	17,122	36,516
Consulting fees	53,000	15,382
Depreciation (Note 5)	1,839	942
Legal fees	30,539	102,195
Management and director fees (Note 9)	74,250	54,000
Marketing and investor relation fees	102,555	43,948
Office and administration (Note 9)	50,706	45,382
Salaries and benefits (Note 9)	11,220	33,832
Share-based payments (Notes 8 and 9)	52,662	53,343
Transfer agent and regulatory fees	12,066	12,785
Travel expenses	11,155	9,519
	(427,020)	(407,844)
Interest income	4,265	26
Foreign exchange loss	(4,534)	(7,515)
Write-off of exploration and evaluation assets (Note 6)	(4,354)	-
Gain on extinguishment of debt (Note 7)	-	83,333
Net loss and comprehensive loss for the period	\$ (431,643)	\$ (332,000)
Loss per share, basic and diluted	\$(0.00)	\$(0.01)
Weighted average number of shares outstanding	98,994,668	59,477,899

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

Electrum Discovery Corp.

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

				Other equity reserves					
	Number of common shares	Share capital	Share subscriptions received	Warrants reserve	Share-based payment reserve	Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)	
Balance, December 31, 2023	29,972,096	\$ 1,943,350	\$ 124,965	\$ 14,180	\$ -	\$ (13,203)	\$ (2,082,869)	\$ (13,577)	
Loss for the period	-	-	-	-	-	-	(332,000)	(332,000)	
Shares issued for private placement	21,600,000	2,160,000	(124,965)	-	-	-	-	2,035,035	
Shares issued for debt settlement	1,666,667	166,667	-	-	-	-	-	166,667	
Share issuance costs	-	(180,757)	-	9,447	-	-	-	(171,310)	
Elimination of Balkan Metals share capital	(53,238,763)	-	-	-	-	-	-	-	
Issuance of common shares on reverse acquisition	53,238,763	1,007,432	-	-	-	-	-	1,007,432	
Outstanding common shares of Electrum brought forward	10,074,301	-	-	-	-	-	-	-	
Recognition of replacement options	-	-	-	-	16,961	-	-	16,961	
Transfer of other equity reserve on expiry of warrants	-	4,050	-	(4,050)	-	-	-	-	
Share-based payments	-	-	-	-	53,343	-	-	53,343	
Balance, March 31, 2024	63,313,064	5,100,742	-	19,577	70,304	(13,203)	(2,414,869)	2,762,551	
Loss for the period	-	-	-	-	-	-	(1,454,837)	(1,454,837)	
Shares issued for private placement	32,597,854	2,281,850	-	-	-	-	-	2,281,850	
Shares issued for debt settlement	3,083,750	292,956	-	-	-	-	-	292,956	
Share issuance costs	-	(124,844)	-	24,661	-	-	-	(100,183)	
Transfer of other equity reserve on expiry of warrants	-	(4,050)	-	4,050	-	-	-	-	
Share-based payments	-	-	-	-	336,263	-	-	336,263	
Balance, December 31, 2024	98,994,668	7,546,654	-	48,288	406,567	(13,203)	(3,869,706)	4,118,600	
Loss for the period	-	-	-	-	-	-	(431,643)	(431,643)	
Share-based payments	-	-	-	-	52,662	-	-	52,662	
Balance, March 31, 2025	98,994,668	\$ 7,546,654	\$ -	\$ 48,288	\$ 459,229	\$ (13,203)	\$ (4,301,349)	\$ 3,739,619	

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

Electrum Discovery Corp.

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Expressed in Canadian Dollars)

	Three months ended March 31,	
	2025	2024
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (431,643)	\$ (332,000)
Items not involving cash:		
Depreciation	1,839	942
Interest accretion on long-term payables	9,906	-
Share-based payments	52,662	53,343
Write-off of exploration and evaluation assets	4,354	-
Gain on extinguishment of debt	-	(83,333)
	(362,882)	(361,048)
Changes in non-cash working capital balances:		
Prepaid expenses and deposits	139,608	(53,818)
Sales tax receivables	(33,284)	(21,569)
Accounts payable and accrued liabilities	63,006	(51,228)
Due to related parties	(9,426)	(178,592)
Net cash used by operating activities	(202,978)	(666,255)
FINANCING ACTIVITIES		
Net proceeds on share issuances	-	1,863,725
Net cash provided by financing activities	-	1,863,725
INVESTING ACTIVITIES		
Purchase of equipment	(51,603)	-
Long-term deposit	(11,500)	-
Deferred acquisition costs	-	(9,215)
Exploration and evaluation asset costs, net	(199,974)	(126,228)
Cash acquired from reverse acquisition	-	13,702
Net cash used by investing activities	(263,077)	(121,741)
Increase (decrease) in cash	(466,055)	1,075,729
Cash, beginning of period	1,183,341	52,815
Cash, end of period	\$ 717,286	\$ 1,128,544

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

Electrum Discovery Corp.

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Electrum Discovery Corp (the “Company”) is a public company incorporated and domiciled in British Columbia. The address of the Company's head office and principal place of business is 1000 – 1111 Melville Street, Vancouver, BC, Canada V6E 3V6. The Company's principal business activity is the acquisition and exploration of mineral properties in the natural resource sector.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. During the period ended March 31, 2025, the Company incurred a net loss of \$431,643 (2024: \$332,000) and as of that date, has accumulated deficit of \$4,301,349 (December 31, 2024: \$3,869,706) and expects to incur further losses in the development of its business.

The Company has been financed primarily through the issuance of equity instruments, the most recent being a non-brokered private placement that closed in October 2024 and raised gross proceeds of \$2,281,850. During the period ended March 31, 2025, the Company also received an exploration grant of \$357,375 (US\$250,000) and subsequently another grant of \$210,225 (US\$150,000) from BHP Metals Exploration Pty Ltd (“BHP”) (Note 6). Management cannot be certain it will continue to be able to obtain such funding. All of these conditions may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management continues to investigate and pursue opportunities to raise financing for the Company.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* under IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements are presented in Canadian dollars.

The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 3.

Electrum Discovery Corp.

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's principal subsidiaries as at March 31, 2025 are as follows:

Name	Place of incorporation	Ownership %	Principal activity
Electrum Discovery d.o.o.	Serbia	100%	Exploration company
Medgold Istrazivanja d.o.o.	Serbia	100%	Exploration company
Balkan Metals Corp.	Canada	100%	Holding company
MGold International Ltd.	Malta	100%	Holding company
Tlamino Mining Ltd.	Malta	100%	Holding company

Foreign Currency Translation

The functional and presentation currency of the Company is the Canadian dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses on translation are included in profit and loss.

Electrum Discovery Corp.

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- a) The determination of the Company's and its subsidiaries' functional currency are determined based on management's assessment of the currency of the primary economic environment in which the entities operate.
- b) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

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

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition and exploration costs that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

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

The key estimate applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- a) In estimating the fair value of share-based payments, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.

Electrum Discovery Corp.

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

4. PREPAID EXPENSES AND DEPOSITS

Current prepaid expenses and deposits as of December 31,	March 31, 2025	December 31, 2024
Administrative	\$ 6,752	\$ 25,762
Consulting	-	22,500
Marketing and investor relations	48,750	85,583
Exploration	1,617	62,882
	\$ 57,119	\$ 196,727

As of March 31, 2025, long-term deposits totaling \$72,500 consisted of \$61,000 in deposits pertaining to a shared office, administrative, and personnel services agreement and \$11,500 for security on a banking facility (December 31, 2024: \$61,000 for shared administrative cost agreement). Upon termination of the shared office agreement, the deposits, less any outstanding amounts owing, are to be refunded to the Company.

5. EQUIPMENT

	Analytical equipment	Computer equipment	Furniture and equipment	Total
Cost				
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -
Recognition on reverse acquisition	-	-	2,458	2,458
Additions	-	1,710	-	1,710
Balance, December 31, 2024	-	1,710	2,458	4,168
Additions	51,603	-	-	51,603
Balance, March 31, 2025	\$ 51,603	\$ 1,710	\$ 2,458	\$ 55,771
Accumulated amortization				
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ -
Charge for the year	-	128	2,458	2,586
Balance, December 31, 2024	-	128	2,458	2,586
Charge for the period	1,720	119	-	1,839
Balance, March 31, 2025	\$ 1,720	\$ 247	\$ 2,458	\$ 4,425
Carrying amounts				
At December 31, 2024	\$ -	\$ 1,582	\$ -	\$ 1,582
At March 31, 2025	\$ 49,883	\$ 1,463	\$ -	\$ 51,346

Electrum Discovery Corp.

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following exploration and evaluation asset acquisition and exploration costs of its Serbian mineral property interests during the periods ended March 31, 2025 and December 31, 2024:

	December 31, 2024	Additions	Write-offs	March 31, 2025
Timok East Project				
Acquisition costs	\$ 503,695	\$ -	\$ -	\$ 503,695
Property holding fees and taxes	76,430	41,088	-	117,518
Assaying	91,498	39,758	-	131,256
Drilling	-	122,005	-	122,005
Field work	573,339	249,610	-	822,949
43-101 report	33,490	-	-	33,490
Others	202,222	42,595	-	244,817
Expense recoveries	-	(357,375)	-	(357,375)
	1,480,674	137,681	-	1,618,355
Lece West Project				
Property holding fees and taxes	-	4,354	(4,354)	-
	-	4,354	(4,354)	-
Novo Tlamino Project				
Acquisition costs	100,287	-	-	100,287
Recognition on reverse acquisition	1,520,257	-	-	1,520,257
Property holding fees and taxes	74,129	33,933	-	108,062
Assaying	2,072	-	-	2,072
Field work	97,637	13,572	-	111,209
Others	47,041	10,434	-	57,475
	1,841,423	57,939	-	1,899,362
Total exploration and evaluation assets	\$ 3,322,097	\$ 199,974	\$ (4,354)	\$ 3,517,717

Electrum Discovery Corp.

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

	December 31, 2023	Additions	Write-offs	December 31, 2024
Timok East Project				
Acquisition costs	\$ 503,695	\$ -	\$ -	\$ 503,695
Property holding fees and taxes	13,256	63,174	-	76,430
Assaying	-	91,498	-	91,498
Field work	267,230	306,109	-	573,339
43-101 report	33,490	-	-	33,490
Others	66,297	135,925	-	202,222
	883,968	596,706	-	1,480,674
Lece West Project				
Acquisition costs	88,932	-	(88,932)	-
Property holding fees and taxes	12,769	10,129	(22,898)	-
Field work	12,776	15,760	(28,536)	-
Others	4,231	29,324	(33,555)	-
	118,708	55,213	(173,921)	-
Novo Tlamino Project				
Acquisition costs	100,287	-	-	100,287
Recognition on reverse acquisition	-	1,520,257	-	1,520,257
Property holding fees and taxes	31,594	42,535	-	74,129
Assaying	-	2,072	-	2,072
Field work	-	97,637	-	97,637
Others	3,192	43,849	-	47,041
	135,073	1,706,350	-	1,841,423
Total exploration and evaluation assets	\$ 1,137,749	\$ 2,358,269	\$ (173,921)	\$ 3,322,097

Timok East Project

The Timok East Project is comprised of three mineral exploration permits, Luka and Makovište which are contiguous, and Bukova Glava, all of which the Company has a 100% interest in.

During the period ended March 31, 2025, the Company was selected by BHP to participate in their 2025 Xplor Accelerator program. The program provides for a funding grant of up to US\$500,000 during the 2025 fiscal year, of which the funding is to be spent on the Timok East Project. During the period ended March 31, 2025, the Company has received \$357,375 (US\$250,000) of this funding from BHP and a further \$210,225 (US\$150,000) subsequent to March 31, 2025.

Novo Tlamino Project

The Novo Tlamino Project is comprised of two mineral exploration permits, Donje Tlamino and Surlica-Dukat, and three mineral exploration permit applications for the Radovnica, Ljubata, and Crnostica properties, all of which the Company has a 100% interest in. During the period ended March 31, 2025, the Company relinquished the permit for the Brod property.

The Donje Tlamino and Surlica-Dukat properties are subject to a 1% net smelter return royalty (the "Royalty") in favour of a third party. The Royalty may be purchased at any time by the Company for a cash consideration of \$3.0 million.

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(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Lece West Project

The Lece West Project was comprised of three mineral exploration permits, Satra, Zuta Bara, and Djake Sever, all of which the Company had a 100% interest in. During the 2024 fiscal year, the Company allowed the permits for Satra and Djake Sever to expire. The Company intends to dispose of the Zuta Bara property and as such, carrying costs totaling \$178,275 for the Lece West Project were written off as of March 31, 2025, of which \$4,354 was written off during the period ended March 31, 2025.

7. SHARE CAPITAL AND RESERVES

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

As at March 31, 2025, there is 98,994,668 common shares outstanding and issued share capital of \$7,546,654.

There was no share capital activity during the period ended March 31, 2025.

On January 15, 2024, the Company completed a reverse asset acquisition transaction (the “**Acquisition**”). As a result of the Acquisition, Balkan Metals (“**Balkan Metals**”), became a direct, wholly owned subsidiary of the Company. The Acquisition was treated as an issuance of common shares by the continuing entity, Balkan Metals. Share capital transactions associated with the Acquisition that occurred during the period ended March 31, 2024 were the following:

- i) The Company completed a consolidation of the issued shares, warrants, stock options, and convertible debentures outstanding at January 15, 2024 on a one new for sixteen old basis.
- ii) the Company issued 53,238,763 post-consolidation common shares to the shareholders of Balkan Metals, a private company incorporated under the Business Corporations Act (British Columbia).
- iii) The Company settled \$250,000 in Balkan Metals accounts payables by issuing 1,666,667 common shares of Balkan Metals at a price of \$0.15 per share. The fair value of the 1,666,667 common shares at time of issuance was \$166,667, resulting in a gain on settlement of debt totaling \$83,333 being charged to the condensed interim consolidated statement of loss.
- iv) Balkan Metals completed a private placement consisting of the sale of 21,600,000 units at a price of \$0.10 per unit for gross proceeds of \$2,160,000. Each unit consisted of one Balkan Metals share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20 per share for a period of two years. Of the total gross proceeds, \$2,160,000 was allocated to share capital and nil to warrants. Balkan Metals paid cash finders’ fees totaling \$78,150 and issued 413,000 share purchase warrants having an exercise price of \$0.20 per share for a period of twelve months. The fair value of the finders’ fee warrants was \$9,447 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders’ fee warrant was estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.71%, dividend yield of 0%, volatility of 107% and expected life of one year. Other share issuance costs associated with this financing totalled \$93,160. As a result of the Acquisition, the holders of Balkan Metal common shares and share purchase warrants received pursuant to this financing were exchanged for common shares and share purchase warrants of the Company on a one for one basis.

Electrum Discovery Corp.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

Nature of Equity Reserves

The reserves recorded in equity include Other Reserves and Accumulated Other Comprehensive Loss. Other Reserves is used to recognize the fair value of warrants issued and share-based payments such as stock options and deferred share units granted. Accumulated Other Comprehensive Loss is used to record the foreign exchange translation adjustments for subsidiaries that have a different functional currency than the Company.

Escrow Shares

As at March 31, 2025, there were 8,118,318 common shares relating to the Acquisition held in escrow (December 31, 2024: 10,148,116).

Finders' Warrants

As at March 31, 2025, there were 849,599 (December 31, 2024: 1,262,599) finders' warrants outstanding and the fair value of the finders' warrants granted was estimated at the date of grant using Black-Scholes option pricing model with following assumptions:

Date of Issuance	January 15, 2024	October 9, 2024
Number of finder warrants	413,000	849,599
Dividend yield	0%	0%
Expected volatility	107%	105%
Risk-free interest rate	4.71%	1.04%
Forfeiture rate	0%	0%
Share price – on issuance	\$0.10	\$0.075
Exercise price	\$0.20	\$0.15
Term	1 year	2 years
Fair value per warrant	\$0.02	\$0.03
Fair value of warrants	\$9,447	\$24,661

During the period ended March 31, 2024, the Company recorded a fair value of \$9,447 for finders' warrants.

The following is a summary of finders' warrants transactions for the period from January 1, 2024 to March 31, 2025:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	223,670	\$0.15
Issued	1,262,599	\$0.17
Expired	(223,670)	\$0.15
Balance, December 31, 2024	1,262,599	\$0.17
Expired	(413,000)	\$0.20
Balance, March 31, 2025	849,599	\$0.15

Electrum Discovery Corp.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three months ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (continued)

Finders' Warrants (continued)

As at March 31, 2025, the following finders' warrants were outstanding:

Expiry date	Number of warrants	Exercise price
October 9, 2026	849,599	\$0.15

The weighted average remaining contractual life of the finders' warrants outstanding at March 31, 2025 is 1.53 (December 31, 2024: 1.21) years.

Unit Warrants

The following is a summary of private placement unit warrants transactions for the period from January 1, 2024 to March 31, 2025:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	4,628,730	\$0.20
Issued	54,197,854	\$0.17
Balance, December 31, 2024	58,826,584	\$0.17
Expired	(1,201,825)	\$0.20
Balance, March 31, 2025	57,624,759	\$0.17

As at March 31, 2025, the following private placement unit warrants were outstanding:

Expiry date	Number of warrants	Original exercise price first year	Original exercise price second year	Amended exercise price
April 24, 2025 ⁽¹⁾	833,333	\$0.25	\$0.30	\$0.20
July 12, 2025 ⁽¹⁾	833,333	\$0.25	\$0.30	\$0.20
October 12, 2025 ⁽¹⁾	1,760,239	\$0.25	\$0.30	\$0.20
January 15, 2026 ⁽²⁾	21,600,000	\$0.20	\$0.20	\$0.20
October 1, 2027	10,700,284	\$0.15	\$0.15	\$0.15
October 9, 2027	21,897,570	\$0.15	\$0.15	\$0.15
	57,624,759			

⁽¹⁾The exercise price of these warrants was amended to \$0.20 during the 2023 fiscal year.

⁽²⁾ If at any time following closing of the Acquisition the daily volume weighted average trading price of the Company's common shares on the TSXV is greater than \$0.50 per share for the preceding 10 consecutive trading days, the Company may accelerate the expiry date these warrants by written notice (which may be provided in a form of a news release) to the holders thereof and in such case, the warrants will expire on the 30th day after the date of such notice.

The fair value of the warrants granted above was estimated at \$Nil using the residual method.

The weighted average remaining contractual life of the private placement unit warrants outstanding at March 31, 2025 is 1.74 (December 31, 2024: 1.95) years.

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8. SHARE-BASED PAYMENTS

Option Plan Details

The Company has in place a stock option plan (the "Plan"), which allows the Board of Directors to grant incentive stock options to the Company's officers, directors, employees, and consultants. The exercise price of stock options granted is determined by the Board of Directors at the time of the grant in accordance with the terms of the Plan and the policies of the TSX Venture Exchange ("TSX-V"). Options vest on the date of granting unless stated otherwise. Options granted to investor relations consultants vest in accordance with TSX-V policies. The options are for a maximum term of ten years.

The following is a summary of changes in options for the period ended March 31, 2025:

Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
			Granted	Exercised	Expired / forfeited		
June 28, 2026	\$2.40	1,875	-	-	(1,875)	-	-
February 19, 2029	\$0.20	75,000	-	-	-	75,000	37,500
March 18, 2029	\$0.20	3,898,785	-	-	-	3,898,785	2,924,087
November 13, 2029	\$0.13	3,610,000	-	-	-	3,610,000	902,500
March 1, 2031	\$1.60	309,376	-	-	(68,750)	240,626	240,626
		7,895,036	-	-	(70,625)	7,824,411	4,104,713
Weighted average exercise price		\$0.22	-	-	\$1.62	\$0.21	\$0.27

The following is a summary of changes in options for the period ended March 31, 2024:

Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
			Granted	Exercised	Expired / forfeited		
February 23, 2024	\$2.40	5,000	-	-	(5,000)	-	-
June 18, 2024	\$1.76	31,250	-	-	-	31,250	31,250
June 28, 2026	\$2.40	3,750	-	-	(1,875)	1,875	1,875
February 19, 2029	\$0.20	-	75,000	-	-	75,000	-
March 18, 2029	\$0.20	-	3,898,785	-	-	3,898,785	974,693
March 1, 2031	\$1.60	403,126	-	-	-	403,126	403,126
		443,126	3,973,785	-	(6,875)	4,410,036	1,410,944
Weighted average exercise price		\$1.60	\$0.20	-	\$2.40	\$0.34	\$0.64

Fair Value of Options Issued During the Period

No options were granted during the period ended March 31, 2025. The weighted average fair value at grant date of options granted during the period ended March 31, 2024 was \$0.07 per option.

The weighted average remaining contractual life of the options outstanding at March 31, 2025 is 4.33 (December 31, 2024: 4.59) years.

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8. SHARE-BASED PAYMENTS (continued)

Fair Value of Options Issued During the Period (continued)

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The model inputs for options granted during the period ended March 31, 2024 included:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
Feb 19, 2024	Feb 19, 2029	\$0.075	\$0.20	3.60%	5 years	117%	0%
Mar 18, 2024	Mar 18, 2029	\$0.090	\$0.20	3.58%	5 years	117%	0%

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions related to the granting of stock options and recognized as part of share-based compensation during the period ended March 31, 2025 were \$52,662 (2024: \$10,143).

Deferred Share Units

No deferred share units ("DSU's") were issued during the period ended March 31, 2025. During the period ended March 31, 2024, a total of 480,000 DSU's were awarded to certain directors of the Company. The DSU's vest at the time of retirement, termination, or death.

The share price of the Company's common shares at the award date was \$0.09, of which the fair value of each DSU was based on. Total expenses arising from the awarding of the DSU's and recognized as part of share-based compensation during the period ended March 31, 2024 was \$43,200.

DSU's outstanding as of March 31, 2025 totaled 780,000 (December 31, 2024: 780,000).

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9. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties with transactions during the periods ended March 31, 2025 and 2024 consist of directors, officers, and the following companies controlled by current and/or former directors and officers:

Related party	Nature of transactions
Commodity Energy Capital Limited ("CECL")	Management and administrative services
Virv International Inc. ("Virv")	Management and geological services

CECL is a private company controlled by Dr. Elena Clarici, a Director and the Chief Executive Officer of the Company that provides management and administrative services. Virv is a private company controlled by Jeremy Crozier, the former Chief Executive Officer and Director and of the Company that provided management and geological services prior to the Acquisition.

Balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements are as follows:

- i) The CEO and director of the Company charged \$56,250 (2024: \$37,500) in management fees.
- ii) General and administrative fees of \$3,600 (2024: \$3,178) were charged by CECL.
- iii) The directors of the Company charged \$18,000 (2024: \$16,500) in director fees.
- iv) The former General Manager and director of the wholly owned subsidiary charged \$Nil (2024: \$2,023) in wages and salaries.
- v) During the period ended March 31, 2024, a total of \$153,250 in debt to directors of the company was settled with the issuance of 1,021,667 common shares of Balkan Metals concurrently with the Acquisition.
- vi) As of March 31, 2025, prepaid expenses and deposits include an amount of \$Nil (December 31, 2024: \$18,750) paid to CECL for management and administrative services fees.
- vii) As of March 31, 2025, the Company had \$33,655 (December 31, 2024: \$43,081) due to related parties. The balances due are unsecured, non-interest bearing and due on demand.
- viii) As of March 31, 2025, the Company had a long-term payable of \$63,500 (December 31, 2024: \$63,500) due to Virv for past management fees and expenses. The long-term payable balance is due January 31, 2027.

Key management compensation

The Company has identified certain of its directors and senior officers as its key management personnel. Included for the periods ended March 31, 2025 and 2024 at their exchange amounts are the following items paid or accrued to key management personnel and/or companies with common directors. These transactions are in the normal course of operations.

	Three months ended March 31,	
	2025	2024
Management fees	\$ 56,250	\$ 37,500
Salaries and benefits – exploration and evaluation assets	-	2,023
Salaries and benefits – general and administrative	8,450	8,125
Value of stock option grants recorded as share-based payments expense	16,118	3,420
	\$ 80,818	\$ 51,068

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk.

In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed interim consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at March 31, 2025, the Company is exposed to foreign currency risk and interest rate risk.

Foreign Currency Risk

The Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

As at	March 31, 2025			
	US Dollars (CAD equivalent)	British Pound Sterling (CAD equivalent)	Euros (CAD equivalent)	Serbian Dinars (CAD equivalent)
Cash	\$ 9,850	\$ -	\$ -	\$ 3,755
Accounts payable and accrued liabilities	(54,146)	(11,672)	(72,964)	(11,474)
Net exposure	\$ (44,296)	\$ (11,672)	\$ (72,964)	\$ (7,719)

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

a) Market Risk (continued)

Foreign Currency Risk (continued)

As at	December 31, 2024			
	US Dollars (CAD equivalent)	British Pound Sterling (CAD equivalent)	Euros (CAD equivalent)	Serbian Dinars (CAD equivalent)
Cash	\$ 338,960	\$ -	\$ -	\$ 8,798
Accounts payable and accrued liabilities	(56,177)	(49,770)	(6,780)	(78,621)
Net exposure	\$ 282,783	\$ (49,770)	\$ (6,780)	\$ (69,823)

Based on the above net exposures at March 31, 2025, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a \$15,600 (December 31, 2024: \$13,700) increase or decrease in profit or loss, respectively.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at March 31, 2025, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian and Serbian financial institutions. The Company considers this risk to be limited.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company's receivables consist of sales tax receivable from the governments of Canada and Serbia. The Company considers credit risk with respect to these amounts to be low.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to seek additional capital resources when needed in an effort to have sufficient funds to meet its liabilities. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2025, the Company had cash of \$717,286 (December 31, 2024: \$1,183,341), current liabilities of \$345,193 (December 31, 2024: \$291,613) and working capital of \$532,737 (December 31, 2024: \$1,158,696). The Company's accounts payables and accrued liabilities and due to related party balances had contractual maturities of less than 45 days and were subject to normal trade terms. During the 2024 fiscal year, certain accounts payables totaling \$494,794 were converted to long-term payables with payment due dates ranging from June 30, 2026 and January 31, 2027. At the time of conversion, the long-term payable amount was discounted using a discount rate of 9.8%, resulting in a present value of \$415,483. The present value of the long-term payable amount as of March 31, 2025 is \$434,681 (December 31, 2024: \$424,775).

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The condensed interim consolidated statements of financial position carrying amounts for cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties, approximate fair values due to their short-term nature.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are categorized in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial assets measured at fair value on a recurring basis as of March 31, 2025 were calculated as follows:

	Balance at March 31, 2025	Level 1	Level 2	Level 3
Financial Asset:				
Cash	\$ 717,286	\$ 717,286	\$ -	\$ -

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity. There were no changes in the Company's capital management approach during the period ended March 31, 2025.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. The Company does not expect its capital resources as of March 31, 2025 to be sufficient to cover its corporate operating costs, potential future mineral property acquisitions, or exploration activities through the next twelve months. As such, the Company will continue to seek to raise additional capital in the future and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including potential property acquisitions and exploration activity.

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12. SEGMENTED REPORTING

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company operates in a single reportable operating segment, being the exploration and evaluation of mineral properties. The mineral property interests and substantially all property and equipment are located in Serbia and substantially all of the exploration expenditures are incurred in Serbia. Substantially all of the Company's other assets and expenditures are located and incurred in Canada.

13. EVENTS AFTER THE REPORTING DATE

Subsequent to March 31, 2025, the following events which have not been disclosed elsewhere in these condensed interim consolidated financial statements have occurred:

A total of 833,333 unit warrants with an exercise price of \$0.20 per share expired unexercised.