



**KING GLOBAL VENTURES INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of King Global Ventures Inc.

#### Opinion

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

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

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company had no revenues, incurred a net loss of \$2,421,801, and had negative cash flows from operations of \$1,246,881 during the year ended December 31, 2024 and, as of that date, has an accumulated deficit of \$40,997,672. In addition, the Company has not generated operating revenue and relies on debt and equity funding to support its operations. 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 Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Material Uncertainty Related to Going Concern* section of our report, we have determined that there are no key audit matters to communicate in our report.

#### Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

A handwritten signature in black ink that reads "SATURNA GROUP LLP". The letters are cursive and connected, with a stylized 'S' at the beginning.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

May 1, 2025

**King Global Ventures Inc.**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

	December 31, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,946,878	\$ 415,025
Amounts receivable	27,555	4,625
Prepaid expenses	114,318	6,928
<b>Total current assets</b>	<b>3,088,751</b>	<b>426,578</b>
<b>Non-current assets</b>		
Land and land improvements (note 6)	304,003	-
Mineral exploration properties (note 5)	2,017,810	37,725
<b>Total non-current assets</b>	<b>2,321,813</b>	<b>37,725</b>
<b>Total assets</b>	<b>\$ 5,410,564</b>	<b>\$ 464,303</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	\$ 292,201	\$ 362,792
<b>Total liabilities</b>	<b>292,201</b>	<b>362,792</b>
<b>Shareholders' equity</b>		
Share capital (note 8)	26,055,827	22,340,061
Share-based payment reserve (note 9)	15,775,620	14,595,014
Warrant reserve (note 10)	4,647,577	2,105,296
Accumulated other comprehensive loss	(270,916)	(270,916)
Deficit	(41,089,745)	(38,667,944)
<b>Total shareholders' equity</b>	<b>5,118,363</b>	<b>101,511</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5,410,564</b>	<b>\$ 464,303</b>

Nature of operations and going concern (note 1)  
Subsequent events (note 15)

On behalf of the Board:

(Signed) "Benedict Hudye"  
Benedict Hudye, Director

(Signed) "Rob Dzisiak"  
Rob Dzisiak, Director

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

**King Global Ventures Inc.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

	Year Ended December 31,	
	2024	2023
<b>Operating expenses</b>		
Exploration expenditures (recoveries), net	\$ -	\$ (2,433)
Impairment on mineral exploration properties (note 5)	37,725	158,628
Foreign exchange gain	(49,442)	(3,255)
General and administrative (note 7)	891,301	423,348
Project investigation costs	165,249	-
Share-based compensation (notes 8, 9 and 11)	1,180,606	-
Shareholder communications	221,965	41,633
Loss before other income (expense)	<b>(2,447,404)</b>	<b>(617,921)</b>
<b>Other income (expense)</b>		
Forgiveness of related party debt (note 7)	-	578,000
Recovery of promissory note receivable (note 4)	-	32,926
Gain on write-off of payables	6,724	-
Interest income (expense) (note 7)	18,879	(2,178)
Total other income (expense)	<b>25,603</b>	<b>608,748</b>
<b>Net and comprehensive loss for the year</b>	<b>\$ (2,421,801)</b>	<b>\$ (9,173)</b>
<b>Loss per share, basic and diluted</b>	<b>\$ (0.16)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>14,866,887</b>	<b>4,347,257</b>

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

## King Global Ventures Inc.

### Consolidated Statements of Changes in Shareholders' Equity (Deficit) (Expressed in Canadian Dollars)

	<u>Share capital</u>		Warrant reserve	Share-based payment reserve	Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficit)
	Number of shares	Amount					
<b>Balance, December 31, 2022</b>	<b>3,114,819</b>	<b>\$ 22,112,216</b>	<b>\$ 1,870,744</b>	<b>\$ 14,595,014</b>	<b>\$ (270,916)</b>	<b>\$ (38,658,771)</b>	<b>\$ (351,713)</b>
Shares issued for private placement	4,000,000	269,759	230,241	-	-	-	500,000
Share issuance costs	-	(41,914)	4,311	-	-	-	(37,603)
Net loss for the year	-	-	-	-	-	(9,173)	(9,173)
<b>Balance, December 31, 2023</b>	<b>7,114,819</b>	<b>\$ 22,340,061</b>	<b>\$ 2,105,296</b>	<b>\$ 14,595,014</b>	<b>\$ (270,916)</b>	<b>\$ (38,667,944)</b>	<b>\$ 101,511</b>
Units issued for private placements	17,553,923	2,657,453	2,134,580	-	-	-	4,792,033
Units issued for acquisition of non-current assets	1,957,142	587,143	347,339	-	-	-	934,482
Units issued for debt	450,000	91,519	65,981	-	-	-	157,500
Share issuance costs	-	(199,516)	87,248	-	-	-	(112,268)
Warrants exercised	1,621,000	579,167	(92,867)	-	-	-	486,300
Share-based compensation	-	-	-	1,180,606	-	-	1,180,606
Net loss for the year	-	-	-	-	-	(2,421,801)	(2,421,801)
<b>Balance, December 31, 2024</b>	<b>28,696,884</b>	<b>\$ 26,055,827</b>	<b>\$ 4,647,577</b>	<b>\$ 15,775,620</b>	<b>\$ (270,916)</b>	<b>\$ (41,089,745)</b>	<b>\$ 5,118,363</b>

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

**King Global Ventures Inc.**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

	Year Ended December 31,	
	2024	2023
<b>Operating activities</b>		
Net loss for the year	\$ (2,421,801)	\$ (9,173)
Items not affecting cash:		
Impairment of mineral exploration properties	37,725	158,628
Recovery of promissory note receivable	-	(32,926)
Gain on write-off of payables	(6,724)	-
Forgiveness of related party debt	-	(578,000)
Share-based compensation	1,180,606	-
Non-cash working capital items:		
Amounts receivable	(22,930)	120,818
Prepaid expenses	(107,390)	1,986
Accounts payable and accrued liabilities	93,633	206,383
Due to related parties	-	(47,305)
<b>Net cash used in operating activities</b>	<b>(1,246,881)</b>	<b>(179,589)</b>
<b>Investing activities</b>		
Acquisition of exploration and evaluation asset	(722,415)	-
Exploration expenditures	(664,916)	-
Proceeds from mineral tax credits	-	45,450
Proceeds from promissory note	-	32,926
<b>Net cash provided by (used in) investing activities</b>	<b>(1,387,331)</b>	<b>78,376</b>
<b>Financing activities</b>		
Proceeds from issuance of units/common shares	4,792,033	500,000
Proceeds from exercise of warrants	486,300	-
Share issuance costs	(112,268)	(37,603)
Repayment of advances from related party	-	(10,000)
<b>Net cash provided by financing activities</b>	<b>5,166,065</b>	<b>452,397</b>
<b>Net change in cash</b>	<b>2,531,853</b>	<b>351,184</b>
<b>Cash, beginning of year</b>	<b>415,025</b>	<b>63,841</b>
<b>Cash, end of year</b>	<b>\$ 2,946,878</b>	<b>\$ 415,025</b>
<b>Non-cash investing and financing activities</b>		
Fair value of share purchase warrants issued in private placement	\$ 2,134,580	\$ 230,241
Fair value of finders' warrants issued in warrant reserve	\$ 87,248	\$ 4,311
Fair value of units issued for debt	\$ 157,500	-
Fair value of exercised warrants reclassified from warrant reserve to share capital	\$ 92,867	-
Units issued for acquisition of mineral property assets	\$ 630,479	-
Units issued for acquisition of land and land improvements	\$ 304,003	-

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

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# King Global Ventures Inc.

## Notes to Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

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### 1. Nature of operations and going concern

King Global Ventures Inc. (the "Company"), is an exploration-stage company trading on the TSX Venture Exchange ("TSXV") under the symbol "KING" and on the OTCQB Market under the symbol "KGLDF". The Company was incorporated in Ontario, Canada and was continued in the Province of British Columbia on November 14, 2018, and on September 25, 2019, Rosita Mining Corporation changed its name to King Global Ventures Inc. The Company is a junior prospecting and natural-resource company, focused on growing exploration and mineral assets to build shareholder value. The Company's properties are located in Arizona, United States. The Company's head office is at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8.

In January 2023, the Company consolidated the fully paid and issued common shares of the Company on the basis of one post-consolidation common share for each ten pre-consolidation common shares. In July 2023, the Company consolidated the fully paid and issued common shares of the Company on the basis of one post-consolidation common share for each five pre-consolidation common shares. All historical share and per share data, including stock options and warrants, presented in these consolidated financial statements have been retrospectively adjusted to reflect these share consolidations.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. During the year ended December 31, 2024, the Company had no revenues, incurred a net loss of \$2,421,801, and used cash of \$1,246,881 for operating activities. As at December 31, 2024, the Company has an accumulated deficit of \$40,997,672. The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

### 2. Basis of presentation and principles of consolidation

The consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements for the year ended December 31, 2024 were approved and authorized for issue by the Company's Board of Directors on May 1, 2025.

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention, except for the revaluation of certain financial instruments. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### 3. Material accounting policy information

#### (a) Basis of consolidation

The consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: King Global USA Corp., Midlands Minerals Ghana Limited (inactive), Midenka Resources Limited (inactive), Midlands Minerals Tanzania Limited (inactive), and Manonga Minerals Limited (inactive). All significant inter-company balances and transactions have been eliminated on consolidation.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**3. Material accounting policy information (continued)**

(b) Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the impairment of exploration and evaluation assets, carrying value of land and land improvements, fair value of share-based compensation, and unrecognized deferred income tax assets.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements:

- ◆ Assessment of the going concern assumption; and
- ◆ Determination of technical feasibility and commercial viability of exploration and evaluation assets;

(c) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Exploration and evaluation expenditures

Pre-license expenditures are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as exploration and evaluation ("E&E") assets. Such E&E costs may include, but are not limited to, undeveloped land acquisition, geological, geophysical and seismic studies, exploratory drilling and completion, testing, decommissioning, and directly attributable internal costs. Subsequently, the E&E assets are carried at cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by management, or sale.

E&E assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, E&E assets are assessed at the individual asset level. If it is not possible to estimate the recoverable amount of the individual asset, E&E assets are allocated to cash-generating units (CGU's). Such CGU's are not larger than an operating segment.

E&E assets are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable or sufficient/continued progress is made in assessing the commercial viability of the E&E assets. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to confirm whether the Company intends further appraisal activity or to otherwise extract value from the property. When this is no longer the case, the costs are written off. Upon determination of proven reserves, E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to mineral properties.

The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has made efforts to ensure that legal title to its properties is properly recorded in the name of the Company when all terms of agreements have been met, there can be no assurance that such title will ultimately be secured.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**3. Material accounting policy information (continued)**

(e) Land and Land improvements

*Land*

Land is recognized as a non-depreciable asset and is measured at historical cost, which includes the purchase price and any directly attributable costs necessary to bring the asset to its intended use. Such costs may include legal fees, stamp duties, site preparation, and other transaction-related expenses. In accordance with IAS 16 *Property, Plant and Equipment*, land is not subject to depreciation as it has an indefinite useful life. Land is reviewed for impairment in accordance with IAS 36 *Impairment of Assets* whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

*Land Improvements*

Land improvements are recognized separately from land when they have finite useful lives. These include costs related to infrastructure such as paving, landscaping, fencing, and lighting. Land improvements are initially measured at cost and subsequently depreciated on a straight-line basis over their estimated useful life. As at December 31, 2024 and 2023, the Company has no land improvements.

(f) Impairment of non-current assets

Non-current assets are assessed for impairment at each reporting date. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

(g) Reclamation and remediation provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statements of loss.

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**3. Material accounting policy information (continued)**

(g) Reclamation and remediation provisions (continued)

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases, interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(h) Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing classification under IFRS 9 for the Company's financial instruments:

	<b>Classification</b>
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as FVTPL.

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

*Financial assets*

Subsequent to initial recognition, financial assets are measured at amortized cost, FVOTCI, or FVTPL, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as FVTPL.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**3. Material accounting policy information (continued)**

*Financial liabilities*

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as FVTPL.

(g) Impairment of financial assets

The Company applies the ECL model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- ◆ 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- ◆ lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the consolidated statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the consolidated statement of loss.

*Government assistance*

Government assistance is recognized as a recovery of exploration expenses in the consolidated statement of loss when there is reasonable assurance that the Company will comply with the conditions attached to them and that the assistance will be received.

(h) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**3. Material accounting policy information (continued)**

(i) Foreign currency translation

The Company's functional and reporting currency is the Canadian dollar. The functional currency of King Global Ventures USA Corp. is US dollars. All other entities have a functional currency of Canadian dollars. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the consolidated statement of financial position date. Non-monetary assets and liabilities are translated at historical exchange rates. Average monthly rates are used to translate all revenues and expenses. Gains and losses arising on translation of foreign currency denominated transactions or balances are included in the consolidated statement of loss.

(j) Income (loss) per share

Basic income (loss) per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted income (loss) per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When income (loss) is incurred during the period, basic and diluted income (loss) per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at December 31, 2024, the Company has 25,009,050 (2023 – 5,357,292) potentially dilutive shares outstanding.

(k) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

The Company has a stock option plan. The Company applies the fair value method to all share-based payments and to all grants that are direct awards of stock that call for settlement in cash or other assets. Options granted under the Company's stock option plan vest as determined by the directors at the time of grant. Compensation expense is recognized over the applicable vesting period with a corresponding increase in share-based payment reserve. When the options are exercised, share capital is credited for the consideration received and the related share-based payment reserve is decreased.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**3. Material accounting policy information (continued)**

(k) Share-based payments (continued)

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where the stock options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest.

The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss, unless the fair value cannot be estimated reliably, in which case they are recorded at the fair value of the equity instruments granted.

The fair value of RSU were determined by the Company's share price on the date of the award and recorded in accordance with the vesting provisions and included as part of share-based compensation in the statements of loss and comprehensive loss for the period.

(l) *Newly adopted accounting pronouncements*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company. There are no relevant IFRS's that are effective that would have a material impact on the Company.

*Accounting standards issued but not yet effective*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 18, Presentation and Disclosure in the Financial Statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 Statement of Cash Flows were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 Earnings Per Share were issued to permit disclosures of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements and will apply it from the effective date.

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**3. Material accounting policy information (continued)**

(l) *Newly adopted accounting pronouncements (continued)*

Amendments to IFRS Financial Instruments and IFRS 7 Financial Instruments: Disclosures

On May 30, 2024, the IASB issued narrow scope amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures. The amendments include the clarification of the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designed at FVOCI and financial instruments with contingent features.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of the amendments on its consolidated financial statements and will apply the amendments from the effective date.

**4. Promissory note receivable**

On November 15, 2022, the Company issued a promissory note receivable of \$93,462 to a non-related party, which included the assignment of \$83,462 of prepaid expenses. The convertible promissory note is unsecured, interest bearing at 10%, and is due on November 15, 2023. As at December 31, 2022, the Company recorded an impairment loss due to the uncertainty of collectability. During the year ended December 31, 2023, the Company received \$32,926 and recorded a recovery of promissory note receivable.

**5. Mineral exploration properties**

Mineral exploration property costs as at December 31, 2024 and 2023 are as follows:

	<b>Silver Cord Project</b>	<b>York Gold Project</b>	<b>Newfoundland Project</b>	<b>Total</b>
<i>Acquisition costs:</i>				
Balance, December 31, 2023	\$ -	\$ 37,725	\$ -	\$ 37,725
Licenses and permits	1,353,904	-	-	1,353,904
<b>Total acquisition costs</b>	<b>1,353,904</b>	<b>37,725</b>	<b>-</b>	<b>1,391,629</b>
<i>Exploration costs:</i>				
Balance, December 31, 2023	-	-	-	-
Equipment rental	58,170	-	-	58,170
Geological and reports	251,619	-	-	251,619
Geophysics	288,190	-	-	288,190
Sampling, assays and analysis	13,534	-	-	13,534
Supplies and other cost	6,527	-	-	6,527
Travel, fuel, accommodation and meals	45,866	-	-	45,866
<b>Total exploration costs</b>	<b>663,906</b>	<b>-</b>	<b>-</b>	<b>663,906</b>
Impairment	-	(37,725)	-	(37,725)
<b>Balance, December 31, 2024</b>	<b>\$ 2,017,810</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,017,810</b>

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**5. Mineral exploration properties (continued)**

	Silver Cord Project	York Gold Project	Newfoundland Project	Total
<i>Acquisition costs:</i>				
Balance, December 31, 2022 and 2023	\$ -	\$ 37,725	\$ 161,275	\$ 199,000
<i>Exploration costs:</i>				
Balance, December 31, 2022	\$ -	\$ -	\$ 42,803	\$ 42,803
Impairment	-	-	(158,628)	(158,628)
Mineral tax credits	-	-	(45,450)	(45,450)
<b>Balance, December 31, 2023</b>	<b>\$ -</b>	<b>\$ 37,725</b>	<b>\$ -</b>	<b>\$ 37,725</b>

**Silver Cord Project**

On May 9, 2024, the Company signed a definitive option agreement (the "Option Agreement") to acquire up to 65% membership interests of the Silver Cord Project ("SC") in Yavapai County, Arizona, with the project vendor Silver Cord LLC ("SCL"), a private arms-length party. The SC Project is comprised of 41 concessions located north of Phoenix Arizona.

The terms of the Option Agreement are that the Company has the option to incur an aggregate of US\$4,000,000 in expenditures on the property to attain 65% ownership interest. The option expenditures are as follows:

- US\$500,000 within 12 months following the exchange conditional approval (the "Effective Date");
- An additional US\$1,500,000 within 18 months of the Effective Date to earn 30% ownership; and
- An additional US\$2,000,000 within 30 months of the Effective Date to earn an additional 35% ownership.

The optionor will retain a 2% net smelter royalty ("NSR") payable for all metals mined. Upon completion of the above noted expenditures, a cash payment of US\$500,000 will be provided to SCL.

On August 21, 2024, the Company entered into a letter agreement to acquire an additional 1,317 acres (533 hectares) of land surrounding its Silver Cord project in Arizona. Pursuant to the letter agreement, the Company paid \$568,158 (US\$394,856) to SCL, and SCL will have the right to appoint a total of 3 directors to the Company's board.

On December 15, 2024, the Company signed an amending and closing agreement to acquire a 10% interest in the private town of Cleator (the "Cleator Property") in Yavapai County, Arizona, located in the historic Black Canyon mining district of Arizona, with Cleator AZ. LLC., a private arms-length party.

The Company satisfied the terms of the acquisition by issuing 1,957,142 units of the Company at \$0.48 per unit consideration for \$934,482 (note 8). Each unit consists of one common share and one common share purchase warrant, exercisable at \$0.50 for a period of two years. The consideration price was allocated to the FV of 10% interest in land and land improvements amounting to \$304,003 and the residual value of \$630,479 to mineral rights on Turkey Claim and Turkey Gobler Claim.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**5. Mineral exploration properties (continued)**

**York Gold Project**

On February 13, 2020 the Company acquired a 100% interest in the York Gold Project, located in northeastern Quebec, and is comprised of 77 claims and exceeds 40 square kilometers in size for the following consideration: cash payment of \$12,000 and 25,000 units for the acquisition, where each unit is comprised of one common share and one share purchase warrant to acquire one additional share at \$3.50 per share for the first six months and \$5.00 per share thereafter for a period of one year from the date of acquisition. The vendor retains a 2% NSR, of which 1% can be acquired for \$1,000,000.

As at December 31, 2024, the Company recorded an impairment loss of \$37,725 as the Company has not performed any exploration work since acquisition and has not budgeted any future exploration work on the project.

**Newfoundland Project**

On September 23, 2020, the Company acquired a 100% interest in the Gold Boulder Property for \$15,000 (paid) and the issuance of 40,000 units of the Company (issued) where each unit is comprised of one common share and one share purchase warrant exercisable at \$5.00 per share for a period of one year. The vendors retain a 2% NSR of which 1% can be acquired for \$500,000. Upon earning a 100% interest in the property, the Company is committed to annual advance royalty payments of \$15,000 commencing on the third anniversary of the agreement.

The fair value of the 40,000 share purchase warrants was estimated at \$55,200 using the Black-Scholes pricing model with the following assumptions: expected forfeiture rate and dividend yield of 0%, risk free interest of 0.21%, volatility of 221%, and an expected life of one year.

The Company had no plans to continue further exploration on the property and has recorded an impairment loss of \$158,628 on the property as at December 31, 2023.

**6. Land and land improvements**

On December 15, 2024, the Company acquired 10% interest in Cleator Property located in Yavapai County, Arizona, which includes land, land improvements and mining rights to Turkey Claims and Tukey Goble Claims for 1,957,142 units of the Company at \$0.48 per unit consideration for \$934,482 (notes 5 and 8). The Company allocated \$304,003 to the value of the land and land improvements, which was determined at 10% interest of the appraised market value of the property.

**7. Related party balances and transactions**

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties:

- (a) During the year ended December 31, 2024, the Company incurred interest expense of \$nil (2023 - \$5,828) to a company controlled by the former Chief Executive Officer ("CEO") of the Company. During the year ended December 31, 2023, the Company settled the obligation to repay the outstanding loan due to this company for \$10,000 and recorded a gain on loan forgiveness of \$578,000.
- (b) As at December 31, 2024, the Company owed \$1,245 (2023 - \$9,191) to a company that employs the Chief Financial Officer of the Company, which is recorded in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand. During the year ended December 31, 2024, the Company incurred \$24,120 (2023 - \$26,679) of professional fees to this company, which has been included in general and administrative expenses.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**7. Related party balances and transactions (continued)**

- (c) As at December 31, 2024, the Company owed \$17,267 (2023 - \$nil) to Directors of the Company, which is recorded in accounts payable and accrued liabilities and is unsecured, non-interest bearing, and due on demand. During the year ended December 31, 2024, the Company incurred \$17,267 (2023 - \$nil) of directors' fee, which has been included in general and administrative expenses.
- (d) During the year ended December 31, 2024, the Company incurred management fees of \$172,500 (2023 - \$92,500) to a company controlled by the CEO of the Company and rent of \$18,000 (2023 - \$15,000) to the spouse of the CEO of the Company, which has been included in general and administrative expenses.
- (e) During the year ended December 31, 2024, the Company issued 4,136,816 units to officers, directors and parties related to the directors of the Company for proceeds of \$1,076,486.
- (f) During the year ended December 31, 2024, the Company incurred professional fees of \$13,856 (2023 - \$nil) to a director of the Company.

**8. Share capital**

- (a) Authorized share capital

Unlimited common shares without par value

- (b) Common shares issued

As at December 31, 2024, the Company had 28,696,884 common shares (2023 - 7,114,819) issued and outstanding.

**Year ended December 31, 2024**

- i) On July 16, 2024, the Company closed its non-brokered private placement of 13,518,400 units of the Company at \$0.25 per unit for gross proceeds of \$3,379,600. Each unit is comprised of one common share and one share purchase warrant which is exercisable into one common share of the Company at \$0.35 per share in the first 6 months and \$0.45 per share in the next 18 months, subject to acceleration. The fair value of the share purchase warrant was \$1,542,612 and recorded in warrant reserve, which was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 181%, expected life of two years, and risk-free rate of 3.63%. In connection with the private placement, the Company paid finders' fees and issuance costs of \$44,678 and issued 168,200 broker warrants exercisable on the same terms as the private placement with a fair value of \$70,623. The fair value of the broker warrants was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 181%, expected life of 2 years, and risk-free rate of 3.63%.
- ii) On October 29, 2024, the Company closed the first tranche of its non-brokered private placement (the "October 2024 Financing") of 3,542,668 units of the Company at \$0.35 per unit for gross proceeds of \$1,239,934 and issued 450,000 units to settle \$157,500 of outstanding liabilities owed by the Company. Each unit is comprised of one common share and one share purchase warrant which is exercisable into one common share of the Company at \$0.50 per share expiring on October 29, 2026. The fair value of the share purchase warrant was \$585,425 and recorded in warrant reserve, which was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 160%, expected life of two years, and risk-free rate of 3.04%. In connection with the October 2024 Financing, the Company paid issuance costs of \$58,195, and issued 11,500 broker warrants exercisable on the same terms as the October 2024 Financing with a fair value of \$3,231. The fair value of the broker warrants was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 160%, expected life of 2 years, and risk-free rate of 3.04%.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**8. Share capital (continued)**

b) Common shares issued (continued)

**Year ended December 31, 2024 (continued)**

- iii) On November 1, 2024, the Company closed the second tranche of its non-brokered private placement (the "November 2024 Financing") of 492,855 units of the Company at \$0.35 per unit for gross proceeds of \$172,499. Each unit is comprised of one common share and one share purchase warrant which is exercisable into one common share of the Company at \$0.50 per share expiring on November 1, 2026. The fair value of the share purchase warrant was \$72,524 which was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 155%, expected life of two years, and a risk-free rate of 3.09%. In connection with the November 2024 Financing, the Company paid issuance costs of \$9,495 and issued 39,285 broker's warrants exercisable on the same terms as the November 2024 Financing with a fair value of \$13,394 using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 155%, expected life of 2 years, and risk-free rate of 3.09%.
- iv) On December 16, 2024, the Company issued 1,957,142 units of the Company at \$0.48 per unit for fair value of \$934,482 to acquire the 10% interest in the Cleator Property (note 5). Each unit is comprised of one common share and one common share purchase warrant, exercisable at \$0.50 per share expiring on December 16, 2026. The fair value of the share purchase warrant was \$347,339 and recorded in warrant reserve, which was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, stock price of \$0.30, volatility of 138%, expected life of two years, and a risk-free rate of 2.96%.
- v) During the year ended December 31, 2024, the Company issued 1,621,000 common shares for proceeds of \$486,300 pursuant to the exercise of share purchase warrants. As part of the exercise of share purchase warrants, the fair value of \$92,867 was transferred from warrant reserve to share capital.

**Year ended December 31, 2023**

- vi) On August 28, 2023, the Company issued 1,720,000 units at \$0.125 per unit for proceeds of \$215,000. Each unit is comprised of one common share and one share purchase warrant which is exercisable into one common share of the Company at \$0.30 per share expiring on August 28, 2025, subject to the Company's option to accelerate the exercise price to \$0.60 per share in the second year, in the event that the Company's share price closes at or above \$0.50 per share for 10 consecutive trading days. The fair value of the share purchase warrant was \$98,014 which was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 208%, expected life of two years, and risk-free rate of 4.78%. In connection with the private placement, the Company paid finders' fees totaling \$9,250 and issued 86,000 warrants exercisable at \$0.30 for 1 year with a fair value of \$3,939 using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility 122%, expected life of half a year, and a risk-free rate of 4.81%.
- vii) On September 19, 2023, the Company issued 2,280,000 units at \$0.125 per unit for proceeds of \$285,000. Each unit is comprised of one common share and one share purchase warrant which is exercisable into one common share of the Company at \$0.30 per share expiring on September 19, 2025, subject to the Company's option to accelerate the exercise price to \$0.60 per share in the second year, in the event that the Company's share price closes at or above \$0.50 per share for 10 consecutive trading days. The fair value of the share purchase warrant was \$132,227 which was calculated using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility of 208%, expected life of two years, and risk-free rate of 4.91%. In connection with the private placement, the Company paid finders' fees totaling \$450 and issued 3,600 finder's warrants exercisable at \$0.30 per common share for 1 year with a fair value of \$372 using the Black-Scholes option pricing model assuming no expected forfeitures or dividends, volatility 123%, expected life of half a year, and a risk-free rate of 4.87%.

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**9. Stock options**

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

The following table summarizes the continuity of the Company's stock options:

	Number of stock options	Weighted average exercise price (\$)
<b>Balance, December 31, 2022 and 2023</b>	<b>80,000</b>	<b>3.50</b>
Granted	550,000	0.60
Expired	(80,000)	3.50
<b>Balance, December 31, 2024</b>	<b>550,000</b>	<b>0.60</b>

The following table reflects stock options outstanding as at December 31, 2024:

	Exercise price (\$)	Remaining contractual life (years)	Number of options outstanding	Number of options exercisable
July 22, 2026	0.60	1.57	500,000	500,000
November 12, 2029	0.45	4.87	50,000	50,000
	<b>0.59</b>	<b>1.87</b>	<b>550,000</b>	<b>550,000</b>

The fair value of stock options granted during the year ended December 31, 2024 was \$0.48 (2023 - \$nil) per share. During the year ended December 31, 2024, the Company recorded share-based compensation expense of \$243,940 (2023 - \$nil) related to the vesting of stock options, including \$72,721 (2023 - \$nil) to officers and directors of the Company.

The fair values for stock options granted have been estimated using the Black-Scholes option-pricing model assuming no expected dividends or forfeitures, and the following weighted average assumptions:

	2024
Risk-free interest rate	3.67%
Expected volatility	181%
Expected option life (in years)	2.07

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**10. Share purchase warrants**

The following table reflects the continuity of share purchase warrants for the years presented:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, December 31, 2022</b>	<b>1,394,782</b>	<b>4.00</b>
Issued (note 7)	4,089,600	0.30
Expired	(207,090)	4.48
<b>Balance, December 31, 2023</b>	<b>5,277,292</b>	<b>1.18</b>
Issued (note 7)	20,180,050	0.40
Exercised (note 7)	(1,621,000)	0.30
Expired	(1,217,292)	3.63
<b>Balance, December 31, 2024</b>	<b>22,619,050</b>	<b>0.43</b>

The following table reflects share purchase warrants outstanding as at December 31, 2024:

Number of warrants outstanding	Remaining contractual life (years)	Exercise price (\$)	Expiry date
60,000	0.30	3.75	April 20, 2025
589,000	0.66	0.60 <sup>(1)</sup>	August 28, 2025
1,790,000	0.72	0.60 <sup>(2)</sup>	September 19, 2025
13,686,600	1.54	0.35 <sup>(3)</sup>	July 16, 2026
4,004,168	1.83	0.50	October 29, 2026
532,140	1.84	0.50	November 01, 2026
1,957,142	1.96	0.50	December 16, 2026
<b>22,619,050</b>	<b>1.54</b>	<b>0.43</b>	

(1) The exercise price of \$0.30 in the 1st year of the extended period, expiring August 28, 2024, and \$0.60 in the 2nd year of the extended period, expiring August 28, 2025, subject to the Company's option to accelerate the exercise price to \$0.60 per share in the second year, in the event that the Company's share price closes at or above \$0.50 per share for 10 consecutive trading days.

(2) The exercise price of \$0.30 in the 1st year of the extended period, expiring September 19, 2024, and \$0.60 in the 2nd year of the extended period, expiring September 19, 2025, subject to the Company's option to accelerate the exercise price to \$0.60 per share in the second year, in the event that the Company's share price closes at or above \$0.50 per share for 10 consecutive trading days.

(3) The exercise price of \$0.35 in the first 6 months, expiring January 16, 2025, and \$0.45 in the next 18 months, expiring July 16, 2026, subject to the Company's option to accelerate the expiry, upon 30 days' notice, in the event that the Company's share price closes at or above \$0.70 per share for 10 consecutive trading days.

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**11. Restricted share units ("RSUs")**

The Company has adopted an Amended RSU/DSU Plan to which restricted share units may be granted to directors, officers, employees, consultants, and other persons or companies (together, the "Persons") engaged to provide ongoing services to the Company and its affiliates, other than Persons involved in investor relations activities relating to the Company, to a maximum of 10% of the issued and outstanding common shares. Each RSU entitles the holder to receive one common share for each RSU, a cash payment, or a combination of common shares and cash.

The following table reflects the continuity of RSUs for the years presented:

	<b>Number of RSUs</b>
<b>Balance, December 31, 2022 and 2023</b>	-
Granted	1,840,000
<b>Balance, December 31, 2024</b>	<b>1,840,000</b>

- a. On July 22, 2024, the Company granted 1,550,000 RSUs to certain directors, officers and consultants of the Company. The RSUs vest 50% immediately and 50% after 3 months from the date of grant. The fair value was determined to be \$899,200 based on the fair value of the Company's stock price on the date of grant.
- b. On November 12, 2024, the Company granted 200,000 RSUs to a consultant of the Company. The RSUs vest 50% on February 15, 2025 and 50% on May 15, 2025. The fair value was determined to be \$82,000 based on the fair value of the Company's stock price on the date of grant.
- c. On December 16, 2024, the Company granted 90,000 RSUs to a consultant of the Company. The RSUs vest 100% On March 1, 2025. The fair value was determined to be \$27,000 based on the fair value of the Company's stock price on the date of grant.

The weighted average fair value of RSUs granted during the year ended December 31, 2024 was \$0.57 (2023 - \$nil) per share. During the year ended December 31, 2024, the Company recorded share-based compensation expense of \$936,666 (2023 - \$nil) related to the vesting of RSUs, of which \$330,000 (2023 - \$nil) related to officers and directors of the Company.

**12. Capital management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, warrant reserve, and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2024, the Company is in compliance with Policy 2.5 of the TSX-V.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**13. Financial instruments and risk**

*Fair value*

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair value of financial instruments, which include cash and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

*Credit Risk*

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

*Foreign Exchange Rate Risk*

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's expenditures are denominated in Canadian dollars and US dollars. A 10% change in the foreign exchange rates of the US dollar is not expected to have a material impact on the Company's consolidated financial statements.

*Interest Rate Risk*

Interest rate risk is the risk from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company is not exposed to any significant interest rate risk.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2024, the Company had current assets of \$3,088,751 (2023 - \$426,578) to settle current liabilities of \$292,201 (2023 - \$362,792).

*Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**14. Income taxes**

The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	Year Ended December 31,	
	2024	2023
Net loss before income taxes	\$ (2,421,801)	\$ (9,173)
Combined federal and provincial statutory income tax rate	27 %	27 %
Expected income tax expense (recovery)	\$ (653,886)	\$ (2,477)
Permanent differences and other	398,801	(19,043)
Change in unrecognized deferred income tax assets	369,235	21,520
Valuation true-up	(114,150)	-
Deferred income tax provision	\$ -	\$ -

The significant components of deferred income tax assets and liabilities are as follows:

	2024	2023
Deferred income tax assets		
Non-capital losses carried forward	\$ 5,140,899	\$ 4,845,422
Share issuance costs	43,517	19,267
Resource pools	740,148	690,640
Unrecognized deferred income tax assets	(5,924,564)	(5,555,329)
Net deferred income tax assets	\$ -	\$ -

As at December 31, 2024, the Company has non-capital losses carried forward of approximately \$18,999,000, which are available to offset future years' taxable income. These losses expire as follows:

	Total (\$)
2026	\$ 813,000
2027	996,000
2028	1,182,000
2029	746,000
2030	1,972,000
2031	3,183,000
2032	1,750,000
2033	1,186,000
2034	1,505,000
2035	1,416,000
2036	662,000
2037	240,000
2038	78,000
2039	235,000
2040	47,000
2041	1,657,000
2042	286,000
2044	1,137,000
	\$ 19,091,000

The Company also has available mineral resource related expenditure pools totalling \$2,779,000, which may be deducted against future taxable income on a discretionary basis.

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**King Global Ventures Inc.**  
**Notes to Consolidated Financial Statements**  
**Years Ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**15. Subsequent events**

- a) Subsequent to December 31, 2024, the Company granted 200,000 stock options to certain directors of the Company. The options are exercisable at a price of \$0.35 per share for a period of 5 years from the date of grant, vesting immediately.
- b) Subsequent to December 31, 2024, the Company closed its non-brokered private placement (the "2025 Financing") of 12,245,887 units of the Company at \$0.45 per unit for gross proceeds of \$5,510,650. Each unit is comprised of one common share and one share purchase warrant which is exercisable into one common share of the Company at \$0.65 per share for a period of two years. The Company paid finders fees of \$1,350 in connection with the closing of the 2025 Financing.
- c) Subsequent to December 31, 2024, the Company issued 100,000 common shares to a consultant of the Company pursuant to the conversion of RSUs.
- d) Subsequent to December 31, 2024, the Company issued 75,000 common shares for gross proceeds of \$33,750 pursuant to the exercise of warrants.