MARITIME RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2025 and 2024

(Unaudited, expressed in Canadian dollars)

MARITIME RESOURCES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at (Unaudited, expressed in Canadian dollars)	Note	June 30 2025 $	December 31 2024 $
ASSETS			
Current			
Cash		**18,492,015**	4,696,407
Marketable securities	4	**2,375,000**	-
Receivables	5	**1,828,164**	588,605
Inventory	6	**2,580,375**	331,908
Prepaid expenses and deposits	7	**228,166**	419,995
		25,503,720	6,036,915
Reclamation and other deposits	8	**1,982,981**	1,982,981
Property, plant and equipment	9	**13,932,178**	10,267,432
Exploration and evaluation assets	10	**40,542,221**	38,567,491
Total Assets		**81,961,100**	56,854,819
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11	**4,815,426**	1,334,035
Current portion of lease liabilities	12	**210,833**	131,333
Current portion of loans payable	13	**25,788**	-
		5,052,047	1,465,368
Deferred income tax liability		**79,000**	79,000
Lease liabilities	12	**344,976**	205,225
Notes and loans payable	13	**6,808,803**	6,556,544
Reclamation liability	14	**6,035,533**	5,997,430
Total Liabilities		**18,320,359**	14,303,567
Shareholders' equity			
Share capital	15	**81,176,400**	61,106,356
Reserves	15	**5,164,741**	3,396,258
Royalty reserve	15	**210,700**	210,700
Deficit		**(22,911,100)**	(22,162,062)
Total Shareholders' Equity		**63,640,741**	42,551,252
Total Liabilities and Shareholders' Equity		**81,961,100**	56,854,819

Nature of operations (Note 1) and Subsequent events (Note 22).

Approved and authorized on behalf of the Board of Directors:

"Allen Palmiere"	*"Tom Yip"*
Chairman	Director

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

MARITIME RESOURCES

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

		Three Months Ended June 30		Six Months Ended June 30	
		2025	2024	**2025**	2024
(Unaudited, expressed in Canadian dollars)	**Note**	**$**	$	**$**	$
Pre-development Revenue	16	**3,401,448**	-	**3,401,448**	-
Cost of Sales					
Pre-development processing expense	17	**963,912**	-	**963,912**	-
Selling expense		**23,581**		**23,581**	
		987,493	-	**987,493**	-
Expenses					
Corporate administration	19	**77,972**	76,433	**148,307**	135,384
Care and maintenance		**-**	605,768	**-**	1,325,096
Consulting		**19,500**	49,415	**39,000**	68,930
Depreciation	9	**23,879**	54,595	**96,052**	109,999
Directors' fees and expenses	19	**85,149**	30,127	**115,269**	60,246
Financing expense and accretion	18	**524,753**	480,198	**1,043,588**	942,861
Interest expense on lease liability	12	**9,403**	6,592	**19,188**	13,735
Investor relations and promotion		**168,132**	63,385	**228,514**	121,604
Professional fees		**59,635**	32,629	**99,177**	90,422
Salaries and benefits		**247,224**	255,065	**526,951**	507,101
Share-based payment	15	**1,372,453**	242,433	**1,372,453**	242,433
Site administration		**396,823**	-	**574,562**	-
		2,984,923	1,896,640	**4,263,061**	3,617,811
Other Income (Expenses)					
Gain on marketable securities		**687,500**	-	**812,500**	-
Gain (loss) on foreign currency		**359,944**	(57,200)	**359,022**	(151,385)
Loss on sale of exploration properties	10	**(96,639)**	-	**(248,250)**	-
Loss on settlement of note interest with common shares	15	**(59,181)**	-	**(59,181)**	-
Interest income		**91,212**	24,762	**112,403**	49,524
Other income		**66,109**	152,925	**66,109**	152,925
		1,048,945	120,487	**1,042,603**	51,064
Net income (loss) and comprehensive income (loss) for the period		**477,977**	(1,776,153)	**(806,503)**	(3,566,747)
Net income (loss) per share					
Basic	15	**0.00**	(0.03)	**(0.01)**	(0.06)
Diluted	15	**0.00**	(0.03)	**(0.01)**	(0.06)
Weighted average shares outstanding					
Basic	15	**109,110,835**	59,571,617	**96,482,372**	57,236,232
Diluted	15	**121,465,626**	59,571,617	**96,482,372**	57,236,232

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

MARITIME RESOURCES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited, expressed in Canadian dollars)	Shares #	Share capital $	Reserves $	Royalty reserve $	Deficit $	Total $
Balance, December 31, 2023	**54,566,617**	**51,977,109**	**2,505,466**	**210,700**	**(15,720,746)**	**38,972,529**
Shares and warrants issued upon private placement (Note 15)	5,000,000	2,250,000	250,000	-	-	2,500,000
Share issuance costs (Note 15)	-	(117,438)	-	-	-	(117,438)
Issued for mineral properties (Notes 10,15)	5,000	2,000	-	-	-	2,000
Share-based payments (Note 15)	-	-	242,433	-	-	242,433
Reserves transferred on expired options (Note 15)	-	-	(487,966)	-	487,966	-
Loss for the period	-	-	-	-	(3,566,747)	(3,566,747)
Balance, June 30, 2024	**59,571,617**	**54,111,671**	**2,509,933**	**210,700**	**(18,799,527)**	**38,032,777**
Shares issued pursuant to rights offering (Note 15)	23,529,411	8,000,000	-	-	-	8,000,000
Share issuance costs (Note 15)	-	(214,406)	-	-	-	(214,406)
Standby purchase warrants (Note 15)	-	(790,909)	790,909	-	-	-
Share-based payments (Note 15)	-	-	95,416	-	-	95,416
Loss for the period	-	-	-	-	(3,362,535)	(3,362,535)
Balance, December 31, 2024	**83,101,028**	**61,106,356**	**3,396,258**	**210,700**	**(22,162,062)**	**42,551,252**
Shares issued upon private placement (Note 15)	26,670,000	20,002,500	-	-	-	20,002,500
Share issuance costs (Note 15)	-	(1,536,264)	-	-	-	(1,536,264)
Agent compensation warrants issued (Note 15)	-	(866,883)	866,883	-	-	-
Exercise of warrants (Note 15)	2,391,924	1,727,758	(199,559)	-	-	1,528,199
Exercise of stock options (Note 15)	335,000	491,990	(213,829)	-	-	278,161
Issued for mineral properties (Note 15)	10,000	6,500	-	-	-	6,500
Shares issued to settle note interest (Note 13)	257,309	244,443	-	-	-	244,443
Share-based payments (Note 15)	-	-	1,372,453	-	-	1,372,453
Reserves transferred on expired options (Note 15)	-	-	(57,465)	-	57,465	-
Loss for the period	-	-	-	-	(806,503)	(806,503)
Balance, June 30, 2025	**112,765,261**	**81,176,400**	**5,164,741**	**210,700**	**(22,911,100)**	**63,640,741**

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

MARITIME RESOURCES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30 (Unaudited, expressed in Canadian dollars)	2025 $	2024 $
Cash flows from operating activities		
Loss for the period	**(806,503)**	(3,566,747)
Items not involving cash:		
Accretion on reclamation liability	**98,013**	93,902
Amortization of notes payable transaction and finance costs	**850,484**	749,986
Depreciation	**144,904**	109,999
Gain on marketable securities	**(812,500)**	-
(Gain) loss on foreign currency	**(369,630)**	174,769
Loss on sale of exploration properties	**248,250**	-
Loss on settlement of note interest with common shares	**59,181**	-
Share-based payments	**1,372,453**	242,433
Changes in non-cash working capital items:		
(Increase) decrease in receivables	**(1,176,232)**	687,200
Increase in accrued interest receivable	**(42,382)**	(84,898)
Increase in inventory	**(2,248,467)**	-
Decrease in prepaid expenses and deposits	**191,829**	215,619
Increase (decrease) in accounts payable and accrued liabilities	**2,700,409**	(370,912)
Net cash provided by (used in) operating activities	**209,809**	(1,748,649)
Cash flows from investing activities		
Exploration and evaluation expenditures	**(3,107,436)**	(664,315)
Property and equipment expenditures	**(3,316,313)**	-
Net cash used in investing activities	**(6,423,749)**	(664,315)
Cash flows from financing activities		
Interest paid on notes payable	**(177,879)**	(386,028)
Proceeds from private placement	**20,002,500**	2,500,000
Proceeds from stock option exercise	**278,161**	-
Proceeds from warrant exercise	**1,528,199**	-
Repayment of lease liabilities	**(84,657)**	(54,917)
Repayment of loans payable	**(512)**	-
Share issue costs	**(1,536,264)**	(117,438)
Net cash provided by financing activities	**20,009,548**	1,941,617
Change in cash during the period	**13,795,608**	(471,347)
Cash, beginning of the period	**4,696,407**	1,058,422
Cash, end of the period	**18,492,015**	587,075
Supplemental disclosure		
Cash paid for interest	**197,067**	399,763
Supplemental disclosure of non-cash financial and investing activities		
Expiry or cancellation of stock options	**57,465**	487,966
Exploration and evaluation assets included in accounts payable and accrued liabilities	**1,041,257**	244,432
Fair value of agent compensation warrants	**866,883**	-
Fair value of stock options exercised	**213,829**	-
Fair value of warrants exercised	**199,559**	-
Fair value of shares issued to settle note interest	**244,443**	-
Note interest paid in common shares	**185,262**	-
Property, plant and equipment included in accounts payable and accrued liabilities	**109,439**	-
Property, plant and equipment purchased on credit	**139,900**	-
Recognition of right of use asset and lease liability	**303,908**	-
Shares issued for property	**6,500**	2,000

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

1. NATURE OF OPERATIONS

Maritime Resources Corp. and its subsidiary (the "Company" or "Maritime") is an exploration stage company. Maritime Resources Corp. was incorporated under the Business Corporations Act (British Columbia) on May 14, 2007. The Company is focused on re-starting the past producing Hammerdown Gold Mine ("Hammerdown") located near the Baie Verte mining district in Newfoundland and Labrador, Canada as well as exploration on its other properties in the region.

The Company's registered and records office is 3200 - 650 West Georgia Street, Vancouver, BC, Canada, V6B 4P7. The shares of the Company are traded on the TSX Venture Exchange ("TSX-V") under the symbol MAE.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures.

On April 9, 2025, the Company closed a private placement offering and issued an aggregate of 26,670,000 Units at a price of $0.75 per unit for aggregate gross proceeds of $20,002,500. The net proceeds from the offering are being used for exploration and development, and general working capital purposes (Note 15).

On July 17, 2025, the Company closed a private placement offering and issued an aggregate of 10,177,425 common shares at a price of $1.13 per share for aggregate gross proceeds of $11,500,490. The net proceeds from the offering will be used for exploration and development as well as repayment of the US$5,000,000 senior secured notes on July 29, 2025 (Note 22(b)), and general working capital purposes.

These financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has incurred losses since inception and does not currently have a stable source of recurring revenue. However, as a result of the recently completed financings and the proceeds from processing of existing mineralized stockpiles, the Company estimates that it has sufficient working capital to continue as a going concern beyond one year.

The continuing operations of the Company are dependent upon its ability to commence profitable operations at Hammerdown or to raise additional financing, if required, to repay its liabilities arising from normal business operations as they become due. Although the Company has been successful in generating proceeds from gold sales and raising financing to date, there is no assurance it will be able to do so in the future.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), on a basis consistent with accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2024, and should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the audited consolidated financial statements for the year ended December 31, 2024 have been consistently applied in the preparation of the Company's condensed interim consolidated financial statements, except for the addition of accounting policies adopted during the six months ended June 30, 2025 (Note 3).

The condensed interim consolidated financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value and 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 unless otherwise noted.

These condensed interim consolidated financial statements comprise the financial results of Maritime Resources Corp. and its wholly owned subsidiary 2823988 Ontario Corp. All inter-company balances are eliminated on consolidation.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 14, 2025.

Share consolidation

On June 16, 2025, the Company completed a share consolidation (the "Consolidation") on the basis of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares outstanding. All references to the number of common shares, per share amounts and other share-related information in these condensed interim consolidated financial statements with respect to prior periods have been restated to be presented on a post share consolidation basis and may vary from the pre-consolidation balances due to the elimination of fractional shares.

As a result of the Consolidation, the exercise price of the Company's existing incentive stock options under the Company's omnibus equity incentive plan, the number of common shares issuable thereunder, and the exercise price and number of common shares issuable under certain outstanding warrants have been adjusted in accordance with the Consolidation. All outstanding stock option and warrant information in these condensed interim consolidated financial statements have been retrospectively restated to give effect to the Consolidation.

Reclassification

The Company reclassified certain comparative figures on the condensed interim consolidated statements of income (loss) and comprehensive income (loss) to conform to the current periods' presentation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies adopted during the six months ended June 30, 2025

(a) Inventory

Stockpiled mineralized material, work-in-process and finished goods inventories are measured at the lower of weighted average cost and net realizable value ("NRV"). NRV is calculated using prevailing metal prices at the reporting date, less estimated costs to complete processing and selling. Write-downs to NRV and any subsequent reversals are recognized in processing expense in the period in which they occur.

Stockpiled mineralized material represents low-grade feed material located around the Point Rousse Project that will be processed during the recommissioning of the Pine Cove mill. Cost includes hauling and primary crushing up to the point of stockpiling.

Work-in-process comprises slurry and precipitates undergoing conversion to finished doré. Its carrying value reflects the weighted average cost of the mineralized material plus the proportionate conversion costs incurred to date.

Finished goods consist of doré bars predominantly containing gold, valued at the weighted average cost accumulated up to the point prior to off-site refining.

Supplies include reagents, grinding media, spare parts and other consumables held for use in the milling process. These items are valued at the lower of average cost and NRV, with replacement costs being the typical measure of NRV.

(b) Net income (loss) per share

Basic net income (loss) per share ("EPS") is calculated by dividing the net income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur if in-the-money stock options and share purchase warrants were exercised. The calculation adjusts the weighted average number of shares outstanding for the effects of these dilutive instruments.

The dilutive effect of stock options and share purchase warrants is determined using the treasury stock method, which assumes that the proceeds from the hypothetical exercise of the instruments are used to repurchase common shares at the average market price during the period. These instruments are considered dilutive and included in the diluted EPS calculation only when their exercise prices are below the average market price of the Company's common shares. Instruments that are anti-dilutive are excluded from the calculation.

(c) Revenue

Revenue is principally generated from the sale of gold doré with each shipment considered as a separate performance obligation. The Company recognizes revenue at the point in time when control of the doré transfers to the customer. Control is transferred when title has passed to the customer, the customer has assumed the significant risks and rewards of ownership of the asset and the Company has the present right to payment for the delivery of the gold doré, which generally occurs upon physical delivery and acceptance of final assay results.

Use of estimates and judgments

The preparation of condensed interim consolidated financial statements in conformity with IFRS Accounting Standards, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The condensed interim consolidated financial statements reflect the judgements and estimates outlined by the Company in its audited consolidated financial statements for the year ended December 31, 2024, except as follows:

Inventory valuation – The determination of carrying amounts for stockpiled mineralized material, work-in-process and finished goods inventories requires management to exercise significant judgment. Quantities are estimated by reconciling tonnes added to and removed from stockpiles, supported by periodic survey measurements, while grades and metallurgical recoveries are derived from assay results and mass-balance calculations. Costs capitalized to inventory include hauling, crushing and processing costs incurred, together with an allocation of applicable overheads. Inventories are stated at the lower of cost and NRV. NRV is calculated using prevailing metal prices less the estimated costs to complete processing into a saleable form. Changes in any of the foregoing estimates could materially affect the carrying value of inventories and the amount recognized in profit or loss in future periods.

(Unaudited, expressed in Canadian dollars)

New and amended IFRS pronouncements

IFRS 18 Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB issued *IFRS 18 Presentation and Disclosures in Financial Statements* ("IFRS 18"). The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is assessing the impact of this standard on the consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*. The key changes included clarification on the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to financial liabilities settled through electronic payment system, including an option to utilize an accounting policy for early derecognition. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB also added disclosure requirements to provide additional transparency regarding equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, such as those related to ESG requirements.

The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is assessing the impact of these amendments on the consolidated financial statements. As at June 30, 2025, there are no other accounting standards and interpretations with future effective dates that are expected to have a material impact on the Company.

4. MARKETABLE SECURITIES

On March 11, 2025, the Company sold its interests in the Lac Pelletier gold project to Emperor Metals Inc. ("Emperor") pursuant to which the Company was issued 12,500,000 common shares of Emperor (the "Emperor Shares), which were recorded as marketable securities at their fair value of $1,562,500, determined using the closing price of Emperor's shares on the transaction date (Note 10).

As at June 30, 2025, the Emperor Shares were re-measured at a fair value of $2,375,000, resulting in an unrealized gain of $812,500 recognized in profit or loss for the period. The Emperor Shares are classified as financial assets measured at fair value through profit or loss, and as the shares are traded in an active market with quoted prices for identical instruments, the fair value measurement is categorized within Level 1 of the fair value hierarchy.

5. RECEIVABLES

	June 30, 2025 **$**	December 31, 2024 $
Input sales tax recoverable	**1,154,506**	244,008
Interest receivable	**72,653**	30,272
Accrued future payments	**250,000**	250,000
Other	**351,005**	64,325
	1,828,164	588,605

(Unaudited, expressed in Canadian dollars)

The Company entered into a mutual cooperation agreement with Shoreline Aggregates Inc. ("Shoreline"), an aggregate producer and export company, which has been operating on the Point Rousse site since inception. Pursuant to the agreement, Shoreline will advance up to $1,500,000 of funding to the Company in staged payments. In return, Maritime will provide Shoreline with continued access to the existing site facilities for processing and shipping aggregate, and transfer land for future continuance of its operations on the Point Rousse site, while Maritime retains all underlying mineral rights. The advance was initially recorded as a deferred obligation to be extinguished in full once the land transfer was completed.

As at June 30, 2025, the Company received a total of $1,250,000 with the remaining $250,000 to be received on or prior to October 1, 2025, for a total of $1,500,000. During the year ended December 31, 2024, the Company received confirmation from the Province of Newfoundland and Labrador's Ministry of Industry, Energy and Technology indicating approval of the surrender of land covering Shoreline's port and aggregates production operations within the Point Rousse property. Accordingly, the Company terminated its deferred obligation and recorded a corresponding reduction in property, plant and equipment (Note 9).

6. INVENTORY

	June 30, 2025 **$**	December 31, 2024 $
Stockpiled mineralized material	**410,953**	276,858
Work-in-process	**1,740,022**	-
Finished goods	**50,380**	-
Supplies	**379,020**	55,050
	2,580,375	331,908

No write-downs or reversals were recorded during the six months ended June 30, 2025.

7. PREPAID EXPENSES AND DEPOSITS

	June 30, 2025 **$**	December 31, 2024 $
Prepaid expenses	**90,994**	310,247
Deposits	**137,172**	84,998
Supplier prepayments	**-**	24,750
	228,166	419,995

8. RECLAMATION AND OTHER DEPOSITS

The Company is required to maintain reclamation deposits for its mineral properties in respect of its expected rehabilitation and closure obligations. The Company recorded a reclamation obligation with the Government of Newfoundland and Labrador upon the acquisition of the Point Rousse Project on August 21, 2023. The Company has a surety bonding arrangement with a Canadian insurance company (the "Surety") with respect to its Point Rousse environmental bonds totaling $5,455,663, as at June 30, 2025. The surety arrangement required the Company to provide cash collateral of $1,910,000, equivalent to 35% of the value of the bonds, and pay an annual bond fee equal to 3% of the respective bond amount (Note 18). The Company holds an irrevocable letter of credit, with a major Canadian bank, as cash collateral to the Surety.

A deposit of $72,981 for reclamation purposes has been made to the Government of Newfoundland and Labrador on account of the Hammerdown project as at June 30, 2025, related to its 2021 early works program.

(Unaudited, expressed in Canadian dollars)

	June 30, 2025	December 31, 2024
	$	$
Cash collateral Point Rousse reclamation deposit	**1,910,000**	1,910,000
Advanced site works reclamation deposit	**72,981**	72,981
	1,982,981	1,982,981

9. PROPERTY, PLANT AND EQUIPMENT

	Mills and Infrastructure	Right of use assets	Furniture and Leaseholds	Vehicles and Equipment	Exploration Equipment	Total
	$	$	$	$	$	$
Net book value – December 31, 2023	**10,626,528**	**337,294**	**809**	**266,790**	**30,776**	**11,262,197**
Additions	668,183	75,886	-	9,178	-	753,247
Surrender of land (Note 5)	(1,500,000)	-	-	-	-	(1,500,000)
Asset retirement cost decrease	(23,876)	-	-	-	-	(23,876)
Depreciation	-	(125,324)	(809)	(84,813)	(13,190)	(224,136)
Net book value – December 31, 2024	**9,770,835**	**287,856**	**-**	**191,155**	**17,586**	**10,267,432**
Additions	3,411,729	361,960	-	140,172	-	3,913,861
Disposals	-	(44,301)	-	-	-	(44,301)
Asset retirement cost decrease (Note 14)	(59,910)	-	-	-	-	(59,910)
Depreciation	-	(95,770)	-	(42,539)	(6,595)	(144,904)
Net book value – June 30, 2025	**13,122,654**	**509,745**	**-**	**288,788**	**10,991**	**13,932,178**

For the six months ended June 30, 2025, the Company allocated $48,852 (2024 - $nil) of depreciation to inventory and recognized $96,052 (2024 - $109,999) as depreciation expense.

For the six months ended June 30, 2025, no depreciation of the Pine Cove mill was recorded during the re-commissioning phase as the facility had not yet reached the condition necessary for it to operate as intended by management, in accordance with IAS 16, *Property, plant and equipment*. The Nugget Pond mill is considered not available for use, and accordingly, is not being depreciated.

10. EXPLORATION AND EVALUATION ASSETS

Green Bay Project

The Company's Green Bay property, located in Newfoundland and Labrador, Canada hosts the past producing Hammerdown gold mine, as well as the Orion gold deposit and the historic Lochinvar lead, zinc, copper, silver and gold deposit. The property is subject to a 1% net smelter return royalty ("NSR") over the Hammerdown deposit and surrounding lands which excludes the Orion deposit. Allowed deductions in calculating the NSR include transportation costs and toll milling charges.

The Company owns a 100% interest in the Sprucy Pond property, which is contiguous to the Hammerdown project. The Sprucy Pond property is subject to a 1.0 % NSR of which 50% can be purchased for $500,000.

The Company has a 100% interest in the Inomin property consisting of certain mineral claims that extend the Green Bay property. The Inomin property is subject to a 1.0 % NSR of which 100% can be purchased for $500,000. The project also has an underlying NSR of 2.5% of which 1.5% can be purchased for $1,000,000.

Whisker Valley Project

The Company owns a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada.

The Company was required to make additional payments to the optionors of $50,000 on each of the first, second and third anniversary of the Exercise Date which were made in March 2023, March 2024 and March 2025. The property is subject to a 2.5% NSR, of which 1% can be purchased for $1,000,000 on or before the end of the second anniversary of commencement of commercial production.

The Company owns a 100% interest in the El Strato and Strugglers Pond properties in Newfoundland and Labrador, Canada (contiguous to Whisker Valley). The Strugglers Pond and El Strato properties are each subject to separate 2% NSR royalties, of which 1% can be purchased for $1,000,000 on or before the end of the second anniversary of commercial production.

On January 31, 2023, the Company entered into an agreement to acquire a 100% interest in certain mineral property interests located on the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada. The Company made three annual payments totaling $50,000, with the final payment of $25,000 being made on January 31, 2025. The Company has the option to buy-back one-half of the 1% NSR royalty for $500,000 on or before the end of the second anniversary of commercial production.

Gull Ridge Project

In January 2019, the Company acquired the new Gull Ridge property claims by staking. On December 21, 2021, the Company entered into an agreement to acquire a 100% interest in certain mineral property interests located on the Gull Ridge property in the Baie Verte mining district of Newfoundland and Labrador, Canada. The Company made three annual payments totaling $50,000 and 250,000 common shares, with the final payment of $20,000 and 100,000 common shares being made on January 7, 2025.

Point Rousse Project

On August 21, 2023, the Company acquired the Point Rousse Project, located within the Baie Verte Mining District, on the Point Rousse/Ming's Bight Peninsula, in the northern portion of the Baie Verte Peninsula, northeast of the Town of Baie Verte, Newfoundland and Labrador. The Point Rousse Project includes the Pine Cove mill, an in-pit permitted tailings storage facility, deep water port access and mineral claims and mining leases, including the Stog'er Tight and Argyle properties.

Royalty obligations on the various Point Rousse Project mineral properties are as follows:

- A 3% NSR is payable to a third-party on gold produced from the Stog'er Tight Property.
- A $3,000,000 capped NSR on four mineral exploration licenses in the Point Rousse Project, which forms part of the Argyle property, is calculated at 3% when the average price of gold is less than US$2,000 per ounce for the calendar quarter and is 4% when the average price of gold is more than US$2,000 per ounce for the calendar quarter.
- A $3,000,000 capped NSR of 3% on a property that forms part of the Argyle Property. Once the aggregate limit has been met and 200,000 ounces of gold has been sold from the property, the NSR decreases to 1%.
- A net profits interest ("NPI") agreement over the Point Rousse Mining Leases with Royal Gold Inc. whereby the Company is required to pay a 7.5% of net profits, calculated as the gross receipts generated from the claims less all cumulative development and operating expenses.

The Company also has royalties payable to various vendors of mineral leases located outside the currently anticipated mining areas.

Lac Pelletier Project

On March 11, 2025, the Company announced the completion of the sale of its interests in the Lac Pelletier gold project located near Rouyn Noranda, Québec, Canada to Emperor Metals Inc. ("Emperor"), an arm's length party to Maritime. Pursuant to the purchase agreement dated January 6, 2025 (as amended on March 2025) by and among Maritime, its wholly-owned subsidiary 2823988 Ontario Corp. ("282"), and Emperor, Maritime, through 282, sold 25 mineral claims and one mining lease, in exchange for an aggregate of 12,500,000 common shares in the capital of Emperor. As at June 30, 2025, the Emperor shares, which are subject to a statutory four-month and one day hold period from the date of issuance, are presented under Marketable Securities on the consolidated statement of financial position. The Company recognized a loss on sale of exploration properties of $248,250 during the six months ended June 30, 2025 comprised of $96,639 legal expenses incurred relating to the sale and $151,611 calculated as the difference between the fair value of the common shares received of $1,562,500 and the carrying value of the Lac Pelletier exploration assets of $1,714,111 as at the date of the completion of the sale.

Other exploration properties

The following exploration properties were acquired in April 2021 and were ascribed a nominal fair value.

Owl Creek West – The Company holds a 35% interest in the Owl Creek West joint venture with Newmont Canada Corporation who holds 65%. The property is located in Timmins, Ontario, Canada.

Wright – The Company holds a 100% interest in the Wright property, located in Temiscaming, Québec, Canada.

(Unaudited, expressed in Canadian dollars)

Expenditures incurred on the Company's exploration properties and mineral interests, follow:

	Green Bay $	Whisker Valley $	Gull Ridge $	Lac Pelletier $	Other ON & QC $	Total $
Balance, December 31, 2023	**28,996,307**	**5,104,753**	**1,066,378**	**1,667,548**	**3,780**	**36,838,766**
Acquisition costs	-	65,000	10,000	-	-	75,000
Acquisition costs – shares	-	-	2,000	-	-	2,000
Exploration expenses:						
Geology	823,638	93,381	19,690	39,573	2,392	978,674
Claim fees & licenses	91,865	2,661	4,400	3,588	4,625	107,139
Detailed engineering	527,615	-	-	-	-	527,615
Environmental & permitting	50,044	-	-	-	-	50,044
	1,493,162	161,042	36,090	43,161	7,017	1,740,472
Less: Recoveries	(11,747)	-	-	-	-	(11,747)
Net additions/disposals	1,481,415	161,042	36,090	43,161	7,017	1,728,725
Balance, December 31, 2024	**30,477,722**	**5,265,795**	**1,102,468**	**1,710,709**	**10,797**	**38,567,491**
Acquisition costs	**-**	**75,140**	**20,000**	**-**	**-**	**95,140**
Acquisition costs – shares	**-**	**-**	**6,500**	**-**	**-**	**6,500**
Exploration expenses:						
Geology	**570,837**	**40,896**	**3,651**	**-**	**3,124**	**618,508**
Grade control drilling	**1,136,207**	**-**	**-**	**-**	**-**	**1,136,207**
Detailed engineering	**459,698**	**-**	**-**	**-**	**-**	**459,698**
Early works	**1,009,948**	**-**	**-**	**-**	**-**	**1,009,948**
Environmental & permitting	**288,299**	**-**	**-**	**-**	**-**	**288,299**
Claim fees & licenses	**38,039**	**33,100**	**-**	**3,402**	**-**	**74,541**
	3,503,028	**149,136**	**30,151**	**3,402**	**3,124**	**3,688,841**
Less: Sale of Lac Pelletier property	**-**	**-**	**-**	**(1,714,111)**	**-**	**(1,714,111)**
Net additions/disposals	**3,503,028**	**149,136**	**30,151**	**(1,710,709)**	**3,124**	**1,974,730**
Balance, June 30, 2025	**33,980,750**	**5,414,931**	**1,132,619**	**-**	**13,921**	**40,542,221**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2025 $	December 31, 2024 $
Accounts payable	**2,426,408**	1,000,938
Accrued liabilities	**2,292,841**	288,628
Due to related parties (Note 19)	**96,177**	44,469
	4,815,426	1,334,035

As at June 30, 2025, accrued liabilities include a refundable amount to a shareholder relating to surplus proceeds from the exercise of unit warrants amounting to $1,863,000 (Note 15).

(Unaudited, expressed in Canadian dollars)

12. LEASE LIABILITIES

	Lease liability $
Balance – December 31, 2023	**375,375**
Lease liability recognized during the year	75,886
Lease payments during the year	(140,345)
Interest expense on lease liability	25,642
Balance – December 31, 2024	**336,558**
Lease liability recognized during the period	349,301
Lease liability derecognized during the period	(45,393)
Lease payments during the period	(103,845)
Interest expense on lease liability	19,188
Balance – June 30, 2025	**555,809**
Current portion	**210,833**
Long term portion	**344,976**

Lease obligations as at June 30, 2025 and December 31, 2024 relate to site vehicles and equipment and a site exploration office. As at June 30, 2025, the Company is required to pay $238,516 (December 31, 2024 – $149,473) in undiscounted lease payments within the next twelve months and $375,823 (December 31, 2024 – $214,253) over the remaining term of the leases for a total of $614,339 (December 31, 2024 – $363,726).

During the three and six months ended June 30, 2025, the Company incurred $52,986 and $56,442, respectively for operating leases included in exploration and evaluation assets, processing costs and site administration expenses. During the three and six months ended June 30, 2024, the Company recorded $31,429 and $67,139, respectively for operating leases included in exploration and evaluation assets, corporate administration and care and maintenance.

13. NOTES AND LOANS PAYABLE

Notes Payable

On August 14, 2023, the Company completed a brokered note offering consisting of the issuance of US$5,000,000 principal amount non-convertible senior secured notes (the “Notes”) and 3,831,141 common share purchase warrants of the Company (the “Note Warrants”) maturing August 14, 2025 (the “Initial Maturity Date”). The Initial Maturity Date may be extended by the Company in certain circumstances and subject to certain conditions, to August 14, 2026 (the “Extended Maturity Date”) pursuant to the terms of the note indenture (the “Note Indenture”) governing the terms of the Notes dated August 14, 2023 (the “Closing Date”) entered into between the Company and Computershare Trust Company of Canada (the “Trustee”), as trustee. The Company received proceeds of US$4,900,000.

The Note Offering was completed pursuant to the terms of an agency agreement entered into between the Company and SCP Resource Finance LP (“SCP”) dated August 14, 2023. The Notes were subject to a 2% original issue discount on the principal amount of the Notes (the “OID”) and bear interest at a rate equal to the Secured Overnight Financing Rate (“SOFR”) plus 6% per annum, payable quarterly in arrears. The Initial Maturity Date of the Notes can be extended to the Extended Maturity Date at the election of the Company.

Pursuant to certain conditions set out in the Note Indenture, including the approval of Noteholders holding at least 65% of the principal amount of the Notes then outstanding, the Company has the option to satisfy interest payments under the Notes by issuing Shares (“Interest Shares”) having a deemed value equal to 90% of the Market Price as of the date of a news release announcing the Company’s intention to issue the Interest Shares, subject to the approval of the Exchange.

(Unaudited, expressed in Canadian dollars)

The Note Indenture also sets out certain financial covenants including a minimum cash balance of US$228,015 and a positive working capital balance, with the amount of outstanding Notes being excluded from the calculation. The Notes were secured by a general security interest over the Company and rank senior to all existing and future indebtedness of the Company.

Each Note Warrant entitles the holder to purchase 0.90 common share of the Company at an exercise price of $0.69 per warrant, exercisable until August 14, 2025.

In connection with the closing of the Note Offering, the Company paid SCP a US$117,600 cash commission and issued SCP broker warrants of the Company exercisable at any time prior to the applicable maturity date to acquire up to 187,726 common shares at $0.70 per common share.

The Company deducted a total of $1,624,456 in transaction costs, including the issuance of warrants, with an aggregate value of $723,660, and financing fees, including the OID, from the carrying value of the Notes, which was amortized over the term of the Note Indenture. The Company recognized $177,879 and $363,141 of interest, respectively during the three and six months ended June 30, 2025 (2024 - $204,327 and 396,441, respectively). Of this interest, $185,262 was settled through the issuance of 257,309 common shares with a deemed value of $0.72 per share (Note 15).

The Company also recognized finance expenses of $427,525 and $850,484 (2024 - $392,305 and $770,917, respectively) for the amortization of transaction and financing costs and an unrealized gain due to changes in foreign exchange rates of $371,660 and $369,630 (2024 - $59,218 and $164,251 of losses, respectively) during the three and six months ended June 30, 2025.

	June 30, 2025	December 31, 2024
	$	$
Opening Balance	**6,556,544**	5,269,193
Interest and amortization of transaction costs (Note 18)	**850,484**	1,552,628
Interest paid or payable	**(363,141)**	(756,854)
Effect of changes in foreign exchange rate	**(369,630)**	491,577
	6,674,257	6,556,544

Subsequent to June 30, 2025, the Notes were repaid in full (Note 22(b)).

Loans Payable

During the six months ended June 30, 2025, the Company entered into two financing arrangements for the acquisition of two vehicles. The vehicle loans are non-interest-bearing with combined fixed monthly payments of $2,149 and are accounted for as financial liabilities measured at amortized cost. As no interest was specified in the agreements, the present value of the future payments approximates the purchase price and no discounting has been applied. The loans are repayable over a period of 72 months and are secured by the respective vehicles. Repayment for one of the loans commenced on June 13, 2025.

(Unaudited, expressed in Canadian dollars)

The following table summarizes the activity relating to the vehicle loans for the six months ended June 30, 2025:

	Loans Payable **$**
Loans recognized during the period	160,846
Loan payments during the period	(512)
Balance – June 30, 2025	**160,334**
Current portion	**25,788**
Long term portion	**134,546**

14. RECLAMATION LIABILITY

	June 30, 2025 **$**	December 31, 2024 $
Opening balance	**5,997,430**	5,841,746
Effect of change in estimates	**(59,910)**	172,617
Effect of change in discount rate	**-**	(196,493)
Interest accretion (Note 18)	**98,013**	179,560
	6,035,533	5,997,430

The Company's estimates of future decommissioning and restoration for reclamation and closure costs for its Nugget Pond gold plant milling assets and the newly acquired Point Rousse Project are based on reclamation and closure plans submitted to the Government of Newfoundland and Labrador. Elements of uncertainty in estimating these amounts include potential changes in regulatory requirements, reclamation plans and cost estimates, discount rates and timing of expected expenditures.

The undiscounted amount of estimated cash flows required to settle the decommissioning and reclamation costs related to the Nugget Pond gold circuit assets was estimated at $718,750 as at June 30, 2025 and December 31, 2024. At June 30, 2025, the estimated future cash flows were discounted using a risk-free rate of 3.07% (December 31, 2024 – 3.07%) with nominal accretion on the liability. The Company has recorded the undiscounted amount of estimated reclamation costs and will re-evaluate the estimated timing and value of outflows annually and will revise its estimate if necessary.

The Company established a surety bonding arrangement with respect to its Point Rousse environmental bonds totaling $5,455,663 at June 30, 2025 in favour of the Government of Newfoundland and Labrador (Note 8). During the six months ended June 30, 2025, a review was undertaken to update the timing of estimated reclamation liability cash flows resulting in a decrease of $59,910. At June 30, 2025, the estimated undiscounted future cash flows of $6,098,017 have been discounted using a risk-free rate of 3.23% (December 31, 2024 – 3.23%) and a long-term inflation rate of 2% (December 31, 2024 – 2%) and resulted in an increase in the liability of $98,013.

15. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Share consolidation

On June 16, 2025, the Company announced the consolidation of its issued and outstanding common shares on the basis of one (1) new post-consolidation common share for every ten (10) pre-consolidation common shares. Each shareholder's percentage ownership in the Company and proportionate voting power remains unchanged after the consolidation, except for minor changes and adjustments from the treatment of any fractional common shares. As a result of the consolidation, the exercise price of the Company's existing incentive stock options under the Company's omnibus equity incentive plan, the number of common shares issuable thereunder, and the exercise price and number of common shares issuable under certain outstanding warrants have been adjusted in accordance with the consolidation.

Issued

During the six months ended June 30, 2025

<u>$20 Million Private Placement</u>

On April 9, 2025, the Company announced the closing of a brokered private placement offering (the "Offering") of units of the Company ("Units") for aggregate gross proceeds of $20,002,500. Pursuant to the Offering, the Company issued an aggregate of 26,670,000 Units at a price of $0.75 per Unit (the "Unit Price"). Each unit is comprised of one common share (each, a "Unit Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one common share in the capital of the Company for a period of 24 months from April 9, 2025 at an exercise price of $1.20 per Warrant Share. All Unit Shares and Warrants issued in connection with the Offering are subject to a four month plus one day hold period in accordance with Canadian securities laws.

In connection with the closing of the Offering, the Company paid the agents a cash commission and corporate finance fee totaling $1,172,925 and issued the Agents compensation options exercisable for a period of 24 months following the closing to acquire up to 1,562,293 Common Shares at the Unit Price. The compensation options were valued at $866,883 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 2.62%, expected life of 2 years, expected volatility of 110.73% and dividend yield of 0%. Legal, regulatory and other cash costs associated with the Offering totaled $363,339.

<u>Exercise of Warrants</u>

On February 13, 2025, the Company issued 1,180,454 common shares for gross proceeds of $735,000 pursuant to the exercise of 1,113,635 warrants, consisting of 766,228 Note Warrants and 347,407 Unit Warrants, both with exercise price of $0.66 and an exchange basis of 1.06 common shares for each warrant exercised.

On May 25, 2025, the Company issued 941,470 common shares for gross proceeds of $586,199 pursuant to the exercise of 888,180 warrants, consisting of 268,180 Note Warrants and 620,000 Unit Warrants, both with exercise price of $0.66 and an exchange basis of 1.06 common shares for each warrant exercised.

On June 25, 2025, following the modification in the exercise price and exchange basis of the Note and Unit warrants issued on August 14, 2023, the Company issued 270,000 common shares for gross proceeds of $207,000 pursuant to the exercise of 300,000 Unit Warrants with an adjusted exercise price of $0.69 and an adjusted exchange basis of 0.90 common shares for each warrant exercised.

Exercise of Stock Options

On May 20, 2025, a total of 335,000 stock options were exercised resulting in the issuance of 335,000 common shares. The stock options were exercised at a price of $0.85 per share, generating gross proceeds of $278,161.

Exploration and evaluation assets (Note 10)

The Company issued 10,000 common shares valued at $6,500 in connection with the Gull Ridge property.

Payment of Note Interest in Common Shares

The Company issued 257,309 common shares (the "Interest Shares") in full satisfaction of the interest payable to the holders of the US$5,000,000 non-convertible senior secured notes (Note 13) as of March 31, 2025 in the aggregate amount of $185,262 (the "Interest Payment"). In accordance with the terms of the Notes, the Company issued the Interest Shares on or about March 31, 2025. The Interest Shares issued had a fair value of $244,443 at the date of issuance, resulting in the recognition of a loss on settlement of note interest of $59,181 during the period.

During the year ended December 31, 2024

Backstopped Rights Offering and Share Issuance

On September 11, 2024, the Company announced the closing of a rights offering ("Rights Offering"), pursuant to which the Company issued rights (the "Rights") to the holders of its common shares at the close of business on August 13, 2024. Each Right entitled the holder to purchase one common share at a price of $0.34 per share.

The Company received subscriptions for and issued 23,529,411 common shares, resulting in aggregate gross proceeds of $8,000,000. In connection with the Rights Offering, the Company entered into a standby commitment and investor rights agreement ("Standby Commitment Agreement") dated August 6, 2024 with Dundee Resources Limited ("Dundee") pursuant to which it agreed to backstop the Rights Offering. Pursuant to the Standby Commitment Agreement, of the total issued, Dundee acquired 13,269,499 common shares for aggregate gross proceeds of $4,511,630.

As consideration for the commitments contained in the Standby Commitment Agreement, the Company issued to Dundee 3,317,374 non-transferable compensation warrants ("Standby Purchase Warrants"). Each Standby Purchase Warrant entitles Dundee to purchase one common share at a price of $0.50 per share for a period of 36 months from the date of issuance.

In connection with the closing of the Rights Offering, the Company recognized a total of $1,002,777 in share issue costs, including the Standby Purchase Warrants issued to Dundee as described above. The Standby Purchase Warrants were valued at $790,909, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 2.95%, expected life of 3 years, expected volatility of 101.73% and dividend yield of 0%. Legal, regulatory and other cash costs associated with the Rights Offering totaled $211,868.

Non-Brokered Private Placement

On March 25, 2024, the Company completed a non-brokered private placement of 5,000,000 of its common shares at a price of $0.50 per common share and 364,806 common share purchase warrants to FireFly Metals Ltd ("FireFly") for aggregate gross proceeds of $2,500,000. Of the total proceeds, $250,000 was attributed to the common share purchase warrants, calculated as the difference between the price of the private placement and the market value of the common shares issued. Each warrant entitles the holder to acquire one common share at a price of $0.50 per share for 60 months from the date of issuance. The Company paid SCP, in its capacity as financial advisor to the Company, a cash fee of $75,000 equal to 3% of the gross proceeds of the offering. Legal and regulatory expenses associated with the unit offering totalled $42,438.

Exploration and evaluation assets (Note 10)

The Company issued 5,000 common shares valued at $2,000 in connection with the Gull Ridge property.

Royalty units

During fiscal 2016 the Company issued Royalty Units with a price of $0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of $210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project ("Project"). The likelihood of the Project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at $3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

Stock options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options, subject to receipt of annual shareholder approval. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX-V, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.

A summary of the Company's stock options follows:

(Unaudited, expressed in Canadian dollars)

	June 30, 2025		December 31, 2024	
	Options Outstanding #	**Weighted Average Exercise Price $**	Options Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**2,190,000**	**0.98**	2,200,000	1.12
Granted	**1,706,280**	**1.10**	670,000	0.58
Exercised	**(335,000)**	**0.85**	-	-
Expired/cancelled	**(90,000)**	**0.86**	(680,000)	(1.03)
Balance, end of period	**3,471,280**	**1.06**	2,190,000	0.98

During the six months ended June 30, 2025, the Company granted 1,706,280 (year ended December 31, 2024 – 670,000) stock options to directors, officers, consultants and employees of the Company with an exercise price of $1.10 and expiry date of May 28, 2030. All stock options granted have vested. During the six months ended June 30, 2025, the Company recorded share-based compensation expenses of $1,372,453 (2024 - $242,433) related to the fair value of the stock options granted or vested as determined using the Black-Scholes pricing model.

During the six months ended June 30, 2025, 90,000 (year ended December 31, 2024 – 680,000) stock options were forfeited, cancelled or expired resulting in a reversal of $57,465 (year ended December 31, 2024 – $487,966) from reserves to deficit. The Company has estimated the forfeiture rate to be nil%. Expected volatility was determined based on the historical movements in the closing price of the Company's shares for a length of time equal to the expected life of each option.

The following table sets out the weighted-average assumptions used for the Black-Scholes valuation for stock options granted during the six months ended June 30, 2025 and year ended December 31, 2024.

	June 30, 2025	December 31, 2024
Weighted average share price at grant date	**$1.10**	$0.50
Risk-free rate	**2.78%**	3.25%
Expected dividend yield	**0%**	0%
Expected stock price volatility	**94.95%**	94.22%
Expected life of options (years)	**5**	5
Weighted average fair value per stock option granted	**$0.80**	$0.40

As at June 30, 2025, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Options Outstanding #	**Options Exercisable #**	**Exercise Price $**	**Remaining Contractual Life In years**	**Expiry**
60,000	60,000	1.70	0.20	10-Sep-25
400,000	400,000	1.80	0.98	24-Jun-26
200,000	200,000	1.80	1.08	29-Jul-26
435,000	435,000	0.50	2.67	28-Feb-28
545,000	545,000	0.60	3.97	18-Jun-29
125,000	125,000	0.50	4.39	18-Nov-29
1,706,280	1,706,280	1.10	4.91	28-May-30
3,471,280	**3,471,280**	**1.06**	**3.71**	

(Unaudited, expressed in Canadian dollars)

Subsequent to June 30, 2025, a total of 90,000 stock options were exercised resulting in the issuance of 90,000 common shares. The stock options were exercised at prices ranging from $0.50 to $0.60 per option, generating gross proceeds of $49,000.

Warrants

Share purchase warrant transactions were as follows:

	June 30, 2025		December 31, 2024	
	Warrants Outstanding #	**Weighted Average Exercise Price $**	Warrants Outstanding #	Weighted Average Exercise Price $
Balance, beginning of period	**12,706,122**	**0.62**	9,023,942	0.70
Granted	**14,897,293**	**1.15**	3,682,180	0.50
Exercised	**(2,301,815)**	**0.66**	-	-
Balance, end of period	**25,301,600**	**0.94**	12,706,122	0.62

Net Income (Loss) Per Share

	Three Months Ended June 30		**Six Months Ended June 30**	
	2025	2024	**2025**	2024
Net income (loss)	**$ 477,977**	$ (1,776,153)	**$ (806,503)**	$ (3,566,747)
Weighted average shares outstanding - basic	**109,110,835**	59,571,617	**96,482,372**	57,236,232
Add: Dilutive impact of share purchase warrants	**11,339,791**	-	**-**	-
Add: Dilutive impact of stock options	**1,015,000**	-	**-**	-
Weighted average shares outstanding - diluted	**121,465,626**	59,571,617	**96,482,372**	57,236,232
Net income (loss) per share - basic	**$ 0.00**	$ (0.03)	**$ (0.01)**	$ (0.06)
Net income (loss) per share - diluted	**$ 0.00**	$ (0.03)	**$ (0.01)**	$ (0.06)

For the three months ended June 30, 2025, 2,366,280 stock options and 13,335,000 share purchase warrants were excluded from the calculation of diluted EPS as their impact would have been anti-dilutive. For periods reporting a net loss, diluted loss per share equals basic loss per share as the effect of all potential common shares would be anti-dilutive.

16. PRE-DEVELOPMENT REVENUE

During the six months ended June 30, 2025, the Company commenced recommissioning activities at the Pine Cove mill facility using stockpiled mineralized material located around the Point Rousse Project. Sales of the resulting doré bars generated revenue of $3,401,448 for the period. Management determined that as the processing and sale of gold align with the Company's planned principal activities, the proceeds have been presented as revenue in accordance with IFRS 15, *Revenue from Contracts with Customers*.

17. PRE-DEVELOPMENT PROCESSING EXPENSE

Pre-development processing expense includes the cost of hauling, crushing and stockpiling of existing mineralized materials processed and sold, related direct processing costs and an allocation of normal indirect costs measured in accordance with IAS 2, *Inventories* and recognized as part of cost of sales in the same period as the related revenue.

(Unaudited, expressed in Canadian dollars)

Pre-development processing expense during the three and six months ended June 30, 2025 consists of the following:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
	$	$	**$**	$
Raw materials and consumables	**233,076**	-	**233,076**	-
Salaries and employee benefits	**1,097,471**	-	**1,097,471**	-
Contractors	**48,088**	-	**48,088**	-
Repairs and maintenance	**25,661**	-	**25,661**	-
Mill support and administration	**491,393**	-	**491,393**	-
Depreciation	**48,852**	-	**48,852**	-
	1,944,541	-	**1,944,541**	-
Change in inventories	**(980,628)**	-	**(980,628)**	-
	963,912	-	**963,912**	-

18. FINANCE EXPENSE

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
	$	$	**$**	$
Accretion on reclamation liability (Note 14)	**49,573**	47,391	**98,013**	93,902
Accretion on Notes payable (Note 13)	**427,525**	383,226	**850,484**	749,986
Reclamation bond fee (Note 8)	**47,655**	49,581	**95,091**	98,973
	524,753	480,198	**1,043,588**	942,861

19. RELATED PARTY TRANSACTIONS

(a) Services

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related by virtue of having certain directors and officers in common. The office lease ended on May 31, 2024.

For the three and six months ended June 30, the Company was charged the following:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
	$	$	**$**	$
Rent	**-**	18,455	**-**	32,628
Office administration	**681**	1,110	**1,477**	1,850
	681	19,565	**1,477**	34,478

(Unaudited, expressed in Canadian dollars)

(b) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. Compensation to key management personnel for services rendered were as follows for the three and six months ended June 30:

	Three months ended June 30		**Six months ended June 30**	
	2025	2024	**2025**	2024
	$	$	**$**	$
Salaries	**215,396**	193,239	**408,946**	386,478
Directors' fees	**82,500**	27,500	**110,000**	55,000
Share-based payments	**966,254**	169,036	**966,254**	169,036
	1,264,150	389,775	**1,485,200**	610,514

At June 30, 2025, related party balances included in accounts payable and accrued liabilities of $96,177 (2024 – $27,500), comprised of $82,500 for directors' fees payable to the members of the board of directors of the Company, and $13,677 payable to the Chief Financial Officer and the VP, Environment & Sustainability for conference and travel-related expenses. Amounts due to related parties (Note 11) are non-interest bearing with no specific terms of repayment.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, marketable securities, receivables, deposits, accounts payable and accrued liabilities, lease liabilities, loans payable and notes payable. The fair values of cash, receivables, accounts payable and accrued liabilities approximate their book carrying values because of the short-term nature of these instruments. The fair values of marketable securities are based on the quoted market price of the underlying securities. Loans payable are carried at amortized cost. The carrying value of the Company's lease liabilities and notes payable are measured at the present value of the discounted future cash flows. The fair values of the notes payable are approximated by their carrying values as the interest rates are comparable to market interest rates.

(a) *Credit risk* - Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and receivables and its reclamation deposits. The maximum exposure to loss arising from receivables is equal to their carrying amounts. The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution. Receivables were due from a merchant bank and a government agency.

(b) *Liquidity risk* - Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At June 30, 2025, the Company had a cash balance of $18,492,015 to settle current liabilities of $5,052,047.

The following table summarizes the maturity profile of the Company's financial liabilities at June 30, 2025. The amounts presented represent the future undiscounted principal and interest cash flows, and therefore, do not equate to the carrying amounts on the consolidated statements of financial position.

	Current within 1 year $	Non-current year 2 - 5 $	Non-current year 6 onwards $
Accounts payable and accrued liabilities	4,815,426	-	-
Lease liabilities	238,516	375,823	-
Loans payable	25,788	103,135	31,411
Notes payable	-	6,674,257	-
Reclamation liability	-	2,645,663	3,452,354

(c) *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 risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(d) *Interest rate risk* - Interest rate risk consists of two components:

i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is exposed to interest rate risk through its US$5,000,000 Note Offering (Note 13) which bears interest at a rate equal to the SOFR plus 6% per annum and the Company may elect to extend the maturity date by one year, at which time the interest rate on the Notes would increase to SOFR plus 9%. Pursuant to certain conditions, the Company has the option to satisfy interest payments under the Note Offering by issuing common shares (Note 13). A 10% increase or decrease in the SOFR would have resulted in an increase or decrease of $15,652 and $23,493 in the Company's loss for the three and six months ended June 30, 2025, respectively (2024 - $9,226 and $18,246, respectively). The Notes were repaid in full on July 29, 2025 (Note 22 (b)).

(e) *Foreign currency risk* - Foreign currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk through its US$5,000,000 Note Offering which matures August 14, 2025 and is extendable by one year (Note 13). All other monetary assets and liabilities are denominated in Canadian dollars. A 10% appreciation or depreciation in the value of the US dollar relative to the Canadian dollar would result in an increase or decrease of $17,693 and $36,325 in the Company's loss for the three and six months ended June 30, 2025, respectively (2024 - $19,591 and $38,766, respectively).

The Company maintains US-dollar denominated bank accounts to settle its US-dollar commitments and considers this natural matching strategy sufficient to mitigate the majority of its foreign-exchange exposure on such transactions. The Company does not currently employ hedging instruments. However, it continues to monitor currency volatility and may enter into foreign exchange contracts if market conditions warrant.

(f) *Other price risk* - Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, excluding those arising from interest rate or foreign currency movements.

The Company is primarily exposed to other price risk through fluctuations in metal prices, which can impact project economics, asset valuations, and future cash flows. As part of its strategic planning process, the Company regularly monitors prevailing and forecasted metal prices to inform long-term budgeting, capital allocation, and development decisions. There were no changes in the Company's approach to managing this risk during the six months ended June 30, 2025.

21. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as equity, consisting of common shares, stock options and warrants.

The Company is dependent upon external financing to fund activities. In order to carry out any exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is required to maintain a minimum cash balance of US$228,015 pursuant to the Note Offering and a positive working capital balance, with the amount of outstanding Notes being excluded from the calculation. The Company was in compliance with the requirement as at June 30, 2025.

22. SUBSEQUENT EVENTS

(a) $11.5 Million Private Placement

On July 17, 2025, the Company closed its brokered "best efforts" private placement offering (the "Offering") of common shares for aggregate gross proceeds of approximately $11,500,490. Pursuant to the Offering, the Company issued an aggregate of 10,177,425 common shares at a price of $1.13 per share (the "Issue Price"). All shares issued in connection with the Offering are subject to a four month plus one day hold period in accordance with Canadian securities laws.

In connection with the closing of the Offering, the Company paid the agents a cash commission and corporate finance fee totaling $684,089 and issued the agents compensation options exercisable for a period of 24 months following the closing date to acquire up to 605,389 common shares at the Issue Price.

(b) Repayment of Note Obligation

On July 29, 2025, the Company repaid the US$5,000,000 principal amount owed under its non-convertible senior secured notes due on August 14, 2025 (Note 13), along with accrued and unpaid interest.