FARADAY COPPER

Faraday Copper Corp.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

Deloitte LLP
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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Faraday Copper Corp.

Opinion

We have audited the consolidated financial statements of Faraday Copper Corp. (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 and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 financial statements, which indicates that the Company incurred a net loss of $22,548,709 during the year ended December 31, 2024. In addition, the Company is a resource exploration stage company, which does not generate any revenues. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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 are 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 Brenton Francis.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 11, 2025

FARADAY COPPER CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2024**	December 31, 2023
		$	$
ASSETS			
Current			
Cash and cash equivalents	11	**17,003,895**	14,901,206
Other receivables		**92,632**	137,204
Prepaid expenses and deposits		**347,238**	242,271
Current assets		**17,443,765**	15,280,681
Property and equipment	5	**18,037,072**	16,278,872
Resource properties	6	**4,955,328**	4,955,328
Other long-term assets		**142,020**	77,405
Total assets		**40,578,185**	36,592,286
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	**3,441,524**	1,738,326
Due to related parties	10	**873,036**	748,571
Total liabilities		**4,314,560**	2,486,897
SHAREHOLDERS' EQUITY			
Share capital	9b	**117,059,415**	94,798,827
Reserves	9	**14,095,979**	13,084,647
Accumulated other comprehensive income		**5,117,110**	3,682,085
Deficit		**(100,008,879)**	(77,460,170)
Total shareholders' equity		**36,263,625**	34,105,389
Total liabilities and shareholders' equity		**40,578,185**	36,592,286

Nature of operations and going concern (Note 1)
Commitments (Note 12)
Subsequent events (Note 14)

Approved and authorized for issue on behalf of the Board of Directors:

~~/s/ Russell Ball~~	*~~/s/ Paul Harbidge~~*

/s/ Russell Ball — Director
/s/ Paul Harbidge — Director

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

FARADAY COPPER CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except for per share amounts and number of shares)

	Note	**2024**	Years ended December 31, 2023
		$	$
Operating expenses			
Amortization	5	**210,402**	134,820
Consulting and management fees	10	**50,985**	258,920
Exploration and evaluation expenses	7	**18,647,345**	15,418,067
General and administration		**2,788,976**	2,345,713
Professional fees		**340,418**	625,519
Shareholder costs and investor relations		**296,349**	243,114
Share-based compensation	9(d), 9(e), 10	**1,109,075**	2,163,404
Travel		**256,174**	405,271
Total operating expenses		**23,699,724**	21,594,828
Foreign exchange loss (gain)		**417,157**	(231,650)
Interest income	11	**(1,324,215)**	(863,214)
Other income	10	**(243,957)**	-
Net loss		**22,548,709**	20,499,964
Other comprehensive (income) loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations		**(1,435,025)**	492,613
Comprehensive loss		**21,113,684**	20,992,577
Net loss per share:			
Basic and diluted		**0.12**	0.12
Weighted average number of common shares:			
Basic and diluted		**193,481,835**	169,591,291

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

FARADAY COPPER CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

		Share capital		**Reserves**				
	Note	Number	Amount	Warrants	Options	**Accumulated other comprehensive income**	**Deficit**	**Total shareholders' equity**
		#	$	$	$	$	$	$
Balance, December 31, 2022		123,261,021	54,165,787	2,776,475	9,264,041	4,174,698	(56,960,206)	13,420,795
Share-based compensation		-	-	-	2,163,404	-	-	2,163,404
Shares issued for equity placement, net of issuance costs	9(b)	49,999,700	38,437,854	-	-	-	-	38,437,854
Shares issued for options exercise	9(b), 9(d)	3,168,750	2,096,139	-	(941,140)	-	-	1,154,999
Settlement of RSUs	9(b), 9(e)	137,504	99,047	-	(178,133)	-	-	(79,086)
Currency translation adjustment		-	-	-	-	(492,613)	-	(492,613)
Net loss		-	-	-	-	-	(20,499,964)	(20,499,964)
Balance, December 31, 2023		176,566,975	94,798,827	2,776,475	10,308,172	3,682,085	(77,460,170)	34,105,389
Share-based compensation		-	-	-	1,109,075	-	-	1,109,075
Shares issued for equity placement, net of issuance costs	9(b)	28,750,000	22,138,253	-	-	-	-	22,138,253
Shares issued for options exercise	9(b), 9(d)	100,000	108,943	-	(68,943)	-	-	40,000
Settlement of RSUs	9(b), 9(e)	18,600	13,392	-	(28,800)	-	-	(15,408)
Currency translation adjustment		-	-	-	-	1,435,025	-	1,435,025
Net loss		-	-	-	-	-	(22,548,709)	(22,548,709)
Balance, December 31, 2024		**205,435,575**	**117,059,415**	**2,776,475**	**11,319,504**	**5,117,110**	**(100,008,879)**	**36,263,625**

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

FARADAY COPPER CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars, except where noted)

		Years ended December 31,
	2024	2023
	$	$
Operating activities:		
Net loss for the year	**(22,548,709)**	(20,499,964)
Adjustments for:		
Amortization	**210,402**	134,820
Share-based compensation	**1,109,075**	2,163,404
Changes in non-cash working capital:		
Other receivables	**44,572**	(30,838)
Other long-term assets	**(100,587)**	-
Prepaid expenses and deposits	**(104,967)**	(82,002)
Accounts payable and accrued liabilities	**1,703,198**	(645,707)
Due to related parties	**124,465**	(26,909)
Cash used in operating activities	**(19,562,551)**	(18,987,196)
Investing activities:		
Purchases of property and equipment	**(501,182)**	(14,665,092)
Cash used in investing activities	**(501,182)**	(14,665,092)
Financing activities:		
Proceeds from equity placements	**23,000,000**	39,999,760
Payments on exercise of RSUs	**-**	(79,086)
Share issuance costs	**(861,747)**	(1,561,906)
Proceeds from exercise of options	**40,000**	1,154,999
Cash provided by financing activities	**22,178,253**	39,513,767
Effect of foreign exchange on cash and cash equivalents	**(11,831)**	(495,312)
Changes in cash and cash equivalents	**2,102,689**	5,366,167
Cash and cash equivalents, beginning of the year	**14,901,206**	9,535,039
Cash and cash equivalents, end of the year	**17,003,895**	14,901,206
Supplemental cash flow information:		
Transfer from other long-term assets to property and equipment	**35,972**	301,847
Cash received from interest included in operating activities	**1,324,215**	863,214

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Faraday Copper Corp. (the "Company") was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 2800 - 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2. The Company's shares are traded on the Toronto Stock Exchange and OTCQX under the symbol "FDY" and "CPPKF", respectively, and its principal business is the acquisition and development of resource properties.

Going concern

These consolidated financial statements (the "financial statements") for the years ended December 31, 2024 and 2023 have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying mainly on equity-based financing to fund its operations. For the year ended December 31, 2024, the Company incurred a net loss of $22,548,709 (December 31, 2023 - $20,499,964). The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and any such adjustments may be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on March 11, 2025.

These financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") effective for the year ended December 31, 2024.

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below.

c) Functional and presentation currency

The financial statements are presented in Canadian dollars ("Canadian dollar" or "CAD"), which is also the functional currency, except as otherwise noted. The functional currency is the currency of the primary economic environment in which an entity operates. References to "CAD" are to Canadian dollars and references to "USD" or "US$" are to United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(Expressed in Canadian dollars, except where noted)

2. BASIS OF PRESENTATION (continued)

A summary of the Company's subsidiaries included in these financial statements as at December 31, 2024 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
CopperBank Royalties Corp.	Canada	100%	CAD	Holding
Enexco International Inc.	USA	100%	USD	Exploration
Redhawk Copper Inc.	USA	100%	USD	Exploration
Redhawk Ranch Land Holdings LLC	USA	100%	USD	Holding
Redhawk Resources, Inc. ("Redhawk")	Canada	100%	CAD	Holding

During the year ended December 31, 2023, the Company dissolved the operations of its inactive subsidiaries Copper Creek Project LLC and 1016079 B.C. Ltd. As such, the financial statements subsequent to the date of dissolution comprise the financial statements of the Company and its wholly owned subsidiaries.

As at December 31, 2024, the Company has one operating segment, a mineral exploration group focused on projects located in the United States of America.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Financial instruments

<u>Financial assets</u>

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost and measured at fair value through profit or loss.

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the financial assets is to hold the assets in order to collect contractual cash flows.
- 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 amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value less transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company's cash and cash equivalents are financial assets measured at FVTPL.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are recognized in profit or loss.

<u>Financial liabilities</u>

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities measured at amortized cost.

(i) Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company's accounts payable and accrued liabilities and due to related parties are financial liabilities measured at amortized cost.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instrument	**Classification**
Financial assets	
Cash and cash equivalents	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b) Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. The calculation of diluted loss per share excludes the effects of conversion or exercise of options and warrants if they would be anti-dilutive.

c) Resource properties

Once the legal right to explore has been acquired, the Company capitalizes on a property-by-property basis, acquisition costs until such time as the lease expires or the mineral properties are abandoned, sold, or are considered impaired in value. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development, and costs not directly attributable to exploration and evaluation activities, including general and administrative costs, are charged to statement of comprehensive loss as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

Technical feasibility and commercial viability are established once all of the following conditions have been met:

- The Company has established a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant estimate of property resources and/or reserves; The Company has obtained a mining permit or otherwise has the right to extract the resources and/or reserves; and
- The Company has established that it is economically viable to mine the resources and/or reserves. This includes the completion of a NI 43-101 compliant study to a pre-feasibility level at a minimum, board approval to proceed and binding approval of project financing for the development of the project.

If it is determined that capitalized acquisition costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Resource properties are reviewed for indicators of impairment, when such indicators exist, the Company evaluates the carrying amount may exceed its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as resource property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of resource property.

d) Foreign currency translation

<u>Transactions and balances</u>

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign operations

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency will be translated as follows:

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

Exchange differences arising on translation of foreign operations are recorded in other comprehensive (income) loss.

e) Cash and cash equivalents

Cash and cash equivalents include cash in interest-bearing accounts with high credit quality financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

f) Property and equipment

Property and equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Amortization is calculated using the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each class of property and equipment are as follows:

Class of property and equipment	Estimated useful life	Depreciation method
Building	25 years	Straight-line
Equipment	5 years	Straight-line
Land	Nil	Not depreciated

g) Impairment of non-financial assets

The Company performs impairment tests on non-financial assets when events or circumstances occur which indicate the carrying amount of the assets may not be recoverable.

The recoverable amount is the higher of the fair value less costs of disposal ("FVLCTD") and the value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows ("cash generating units" or "CGUs"). These are typically the individual mines or projects. In assessing VIU, 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 which the future cash flow estimates have not been adjusted.

FVLCTD is the amount that would be received from selling an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. For mining assets, fair value less cost of disposal is often estimated using a discounted cash flow approach because a fair value is not readily available from an active market or binding sale agreement. Estimated future post-tax cash flows are calculated using estimated mineral reserves and resources, estimated future commodity prices, and expected future operating and capital costs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that impairment may have reversed. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. During the year ended December 31, 2024, the Company did not recognize any impairment expense or reversal (2023 - nil).

h) Share-based payments

The Company has a Long-Term Incentive Plan that is described in Note 9. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to options reserve. Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in option reserve is transferred to share capital. For those unexercised options that expire, the recorded value is transferred to deficit. For those unexercised options that are cancelled or forfeited, the recorded value remains in options reserve.

i) Income taxes

<u>Current income tax</u>

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, in the countries where the Company operates and generates taxable income.

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 profit or 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.

<u>Deferred income tax</u>

Deferred income tax is provided using the liability 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 profit 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 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

j) New and amended IFRS Accounting standards

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2024:

Classification of liabilities as current or non-current - amendments to IAS 1
The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement of a liability where settlement refers to the act of transferring cash, equity instruments, other assets or services to the counterparty to extinguish the liability.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That when a company classifies the host debt as current or noncurrent, it can ignore only those conversion options that are classified as equity under IAS 32.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities.

k) New IFRS Accounting standards and interpretations not yet applied:

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")
On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

IFRS 9 Financial Instruments ("IFRS 9") and IFRS 7 Financial Instruments: Disclosures ("IFRS 7")
In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).* These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures.* The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. 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 added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

The Company has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) The indicators of impairment of property and equipment and resource properties

Assets or "CGUs" are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property and equipment and resource properties.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of resource properties may exceed its recoverable amount. The retention of regulatory permits and licenses; the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties; current and future metal prices; and market sentiment are all factors considered by the Company.

In respect of the carrying value of property and equipment and resource properties recorded on the consolidated statements of financial position, management has determined there are no impairment indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

b) The determination of the Company and its subsidiaries' functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

c) The assessment of the Company's ability to continue as a going concern

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

(Expressed in Canadian dollars, except where noted)

5. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Building	Land	Equipment	Vehicle	Total
	$	$	$	$	$
Cost					
Balance, December 31, 2022	1,313,069	33,860	212,246	-	1,559,175
Additions	1,548,657	13,242,050	97,275	115,565	15,003,547
Foreign exchange	(30,830)	(795)	(4,983)	-	(36,608)
Balance, December 31, 2023	2,830,896	13,275,115	304,538	115,565	16,526,114
Additions	37,328	360,368	139,458	-	537,154
Foreign exchange	248,929	1,167,319	26,779	10,162	1,453,189
Balance, December 31, 2024	**3,117,153**	**14,802,802**	**470,775**	**125,727**	**18,516,457**
Accumulated amortization					
Balance, December 31, 2022	89,535	-	25,586	-	115,121
Amortization	59,933	-	63,330	11,557	134,820
Foreign exchange	(2,098)	-	(601)	-	(2,699)
Balance, December 31, 2023	147,370	-	88,315	11,557	247,242
Amortization	106,662	-	79,804	23,936	210,402
Foreign exchange	12,959	-	7,766	1,016	21,741
Balance, December 31, 2024	**266,991**	**-**	**175,885**	**36,509**	**479,385**
Net book value					
Balance, December 31, 2023	2,683,526	13,275,115	216,223	104,008	16,278,872
Balance, December 31, 2024	**2,850,162**	**14,802,802**	**294,890**	**89,218**	**18,037,072**

On January 5, 2024, the Company completed the acquisition of additional land in Arizona, included in land for $360,368 (US$250,447) which included $35,972 (US$25,000) deposit classified as other long-term assets as at December 31, 2023.

6. RESOURCE PROPERTIES

Copper Creek Project, Arizona

The Company acquired 100% of the Copper Creek project through the acquisition of Redhawk for a value of $4,955,328 in 2018. All permits of this resource property are in good standing. During the year ended December 31, 2024, there have been no additions to acquisition costs (December 31, 2023 - $nil).

- D & G Mining Agreement

In November 2005, Redhawk entered into a lease-to-purchase agreement with a third party for additional property within the Copper Creek boundaries. Redhawk has the option to purchase the property for US$3,000,000 until May 2033.

Redhawk paid US$80,000 in both 2006 and 2007 and US$100,000 annually from 2008 to 2017. Starting May 2018, Redhawk is required to make two payments per year of US$25,000 due by May 31 and by November 30, until the end of May 2033.

Commencing January 1, 2022, 50% of the annual payments made prior to exercising the option to purchase will be applied against the purchase price in the event that Redhawk exercises its property purchase option. As of December 31, 2024, the purchase option has not been executed. All options payments to date have been made to keep the option in good standing.

(Expressed in Canadian dollars, except where noted)

6. RESOURCE PROPERTIES (continued)

- Freeport Mineral Corporation Agreement

In April 2007, Redhawk entered into a purchase agreement with Freeport Mineral Corporation ("Freeport") to acquire additional mining claims within the Copper Creek boundaries. The additional mining claims are subject to a 1% net smelter return royalty.

On May 30, 2018, Redhawk entered into an amendment to the Fourth Workout Agreement with Freeport. The substance of the amended agreement is a conversion of interest and principal owing to Freeport into production decision royalty payments. The total will be US$3,000,000 paid in six equal annual instalments of US$500,000 per annum. The payments are contingent upon Redhawk or successors achieving a defined commercial production of minerals. As a result of this amendment, no liabilities in connection with this promissory note has been recorded as of December 31, 2024 and December 31, 2023.

Contact Copper Project, Nevada

The Company owns a 100% interest in the Contact Copper project located in Elko County, Nevada. All permits of this resource property are in good standing. During the year ended December 31, 2024, there have been no additions to acquisition costs (December 31, 2023 - $nil).

7. EXPLORATION AND EVALUATION EXPENSES

A summary of the Company's exploration and evaluation expenses by property is as follows:

		Years ended December 31,
	2024	2023
	$	$
Copper Creek Project		
Exploration, geological and laboratory	**13,047,212**	9,173,663
Engineering & studies	**205,213**	1,579,434
Environmental, social, and governance	**1,155,198**	220,844
Legal	**157,802**	431,702
Payroll	**3,240,768**	3,016,454
Permit maintenance and land access	**224,912**	248,933
Administration and other costs	**437,738**	543,650
	18,468,843	15,214,680
Contact Copper Project		
Administration and other costs	**178,502**	203,387
Total	**18,647,345**	15,418,067

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	December 31, 2024	December 31, 2023
	$	$
Exploration and evaluation expenses	**3,023,701**	1,446,970
General and administration	**417,823**	291,356
	3,441,524	1,738,326

9. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2024, the Company had 205,435,575 common shares issued and outstanding (December 31, 2023 - 176,566,975).

b) Issued and outstanding

During the year ended December 31, 2024, the Company had the following share capital transactions:

- The Company issued an aggregate of 18,600 common shares net of withholding tax, to settle 40,000 RSUs. The total grant date fair value of the vested RSUs was $28,800. A total of 21,400 common shares were withheld in lieu of withholding taxes in the amount of $10,486. The fair value of common shares issued was $13,392.

- On May 30, 2024, the Company closed a bought deal financing and issued 28,750,000 common shares at a price of $0.80 per share for net proceeds of $22,138,253, which included share issuance costs of $861,747.

- The Company issued 100,000 common shares pursuant to the exercise of 100,000 stock options with exercise price $0.40. The Company received gross proceeds of $40,000 and reallocated $68,943 from the Company's options reserve into share capital.

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On February 14, 2023, the Company closed a bought deal financing and issued 49,999,700 common shares at a price of $0.80 per share for net proceeds of $38,437,854, which included share issuance costs of $1,561,906.

- The Company issued 3,168,750 common shares pursuant to the exercise of 3,168,750 stock options with exercise prices varying from $0.23 and $0.65. The Company received gross proceeds of $1,155,000 and reallocated $941,140 from the Company's options reserve into share capital.

- The Company issued an aggregate of 137,504 common shares net of withholding tax in settlement of 246,667 RSUs. The total grant date fair value of the vested RSUs was $591,708. A total of 109,163 common shares were withheld in lieu of withholding taxes in the amount of $67,088. The fair value of common shares issued was $99,047.

c) Warrants

As at December 31, 2024, the Company had 12,500,000 warrants outstanding (December 31, 2023 - 12,500,000) all of which have an exercise price of $0.60 and expire on September 16, 2026. As at December 31, 2024, the remaining life of these warrants is 1.71 years (December 31, 2023 - 2.71 years).

d) Options

On September 2, 2021, the Company adopted a Long-Term Incentive Plan (the “LTIP”), which provides for the granting of deferred share units, restricted share units (“RSU”), performance share units, and stock options (“Options”). The maximum number of common shares reserved for issuance under the LTIP (with any other share-based compensation arrangement, including the Legacy Plan) will be 19,296,967.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

On May 12, 2023, following a vote by shareholders, the LTIP was replaced by the Company's amended and restated long term incentive plan (the "Amended and Restated LTIP"), which is substantially similar to the LTIP, except, the Amended and Restated LTIP provides for the granting of deferred share units, RSUs, performance share units, and Options to its employees, directors, consultants, and officers for a maximum of 10% of issued and outstanding Common Shares, instead of conversion from a fixed reserve plan of 19,296,967 common shares as per the LTIP.

Options under both plans had a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant, or officer and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option period.

A summary of the Company's stock options activity is as follows:

	Number of options	Weighted average exercise price
	#	$
Outstanding, December 31, 2022	14,857,750	0.44
Cancelled	(250,000)	0.40
Exercised	(3,168,750)	0.36
Outstanding, December 31, 2023	11,439,000	0.46
Exercised	(100,000)	0.40
Outstanding, December 31, 2024	**11,339,000**	**0.46**
Exercisable balance, December 31, 2024	**11,309,000**	**0.46**

A summary of the Company's stock options outstanding at December 31, 2024, is as follows:

Expiry date	Number of outstanding options	Number of exercisable options	Weighted average exercise price	Weighted average life (years)
	#	#	$	#
July 24, 2025	100,000	100,000	0.23	0.56
September 8, 2025	80,000	80,000	0.44	0.69
June 8, 2026	325,000	325,000	0.60	1.44
September 2, 2026	9,550,000	9,550,000	0.40	1.67
February 1, 2027	120,000	120,000	0.80	2.09
February 16, 2027	224,000	224,000	0.94	2.13
April 1, 2027	500,000	500,000	0.86	2.25
April 25, 2027	350,000	350,000	0.91	2.32
August 16, 2027	90,000	60,000	0.49	2.62
	11,339,000	**11,309,000**	**0.46**	**1.71**

The weighted average remaining contractual life of the Company's options as at December 31, 2024, was 1.71 years (December 31, 2023 - 2.72 years). During the year ended December 31, 2024, the Company incurred share-based compensation related to options of $80,012 in connection with options vested (December 31, 2023 - $1,111,471).

e) Restricted share units

When the Company issues RSUs, it records a share-based compensation expense in the year or period which the RSUs are granted and/or vested. The expense is measured using a deemed price that is based on the volume weighted average trading price of the Company's common shares for the five trading days immediately preceding the grant date as prescribed in the Company's Amended and Restated LTIP.

During the year ended December 31, 2024, the Company incurred share-based compensation related to RSUs of $1,029,063 in connection with RSUs vested (December 31, 2023 - $1,051,933).

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

A summary of the Company's RSUs is as follows:

	Number of non-vested RSUs	Weighted average issue price
	#	$
Non-vested balance, December 31, 2022	1,812,667	0.88
Granted	1,436,573	0.75
Settled	(1,158,665)	1.02
Cancelled	(84,211)	0.82
Non-vested balance, December 31, 2023[(1)]	2,006,364	0.71
Granted	2,060,176	0.54
Settled	(999,454)	0.79
Non-vested balance, December 31, 2024[(1)]	**3,067,086**	**0.57**

(1) As at December 31, 2024, 4,938,538 RSUs are outstanding (December 31, 2023 - 2,918,362).

A summary of the Company's non-vested RSUs at December 31, 2024, is as follows:

Vesting date [(1)]	Weighted average issue price	Number of non-vested RSUs
	$	#
January 31, 2025	0.62	1,150,844
November 9, 2025	0.46	78,667
January 31, 2026	0.54	1,150,845
January 31, 2027	0.54	686,730
	0.57	**3,067,086**

(1) RSUs vests over a period of two to three years. Vesting dates listed above, represent the end of the two-year or three-year term.

10. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the Company incurred transactions with key management personnel, being the Chief Executive Officer, Chief Financial Officer ("CFO"), Vice President Projects & Evaluations, and Vice President of Exploration; as well as the directors of the Company.

A summary of the Company's related party transactions is as follows:

	Years ended December 31, 2024	2023
	$	$
Consulting and management fees	**4,903**	-
Director fees	**225,000**	168,100
Salaries and other compensation	**1,928,920**	1,787,536
Share-based compensation	**774,223**	1,649,375
	2,933,046	3,605,011

During the year ended December 31, 2024, the Company entered into a services agreement with Fireweed Metals Corp. ("Fireweed") to provide key management services for a fee. The Company and Fireweed became related parties effective September 30, 2024, and $91,618 of fees earned since becoming a related party. Fees are included in other income on the consolidated statements of loss and comprehensive loss.

As at December 31, 2024, amount due to related parties comprised of amounts owing to key management members and directors totalling $873,036 (December 31, 2023 - $748,571) in relation to the services rendered. Due to related parties is unsecured and non-interest-bearing and with no specific terms of repayment.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to several financial and market risks, including credit, interest rate and liquidity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

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 assets or liabilities either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, accounts payable and accrued liabilities, and due to related parties are equivalent to their carrying values due to their short-term nature.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions. As at December 31, 2024, the Company had cash equivalents of $14,201,500 in term deposits (December 31, 2023 - $11,832,227) that are cashable in no more than 90 days and bear interest up to 5.05% (December 31, 2023 - 5.9%). Interest income on term deposits during the year ended December 31, 2024 was $1,324,215 (December 31, 2023 - $863,214).

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. To mitigate the risk, the Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are maintained in business accounts and invested in term deposits that are cashable in no more than 90 days and bear interest up to 5.05% (December 31, 2023 - 5.9%). The Company manages its liquidity risk mainly through raising funds from private placements. The Company's accounts payable and accrued liabilities are due within 90 days of December 31, 2024 and due to related parties has no specific terms of repayment.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Interest rate risk

Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As at December 31, 2024, the Company did not have debt instruments exposed to variable interest rate.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial assets and liabilities that are denominated in US dollars is as follows:

		December 31, 2024		December 31, 2023
	US$	**$**	US$	$
Cash	**2,132,694**	**3,068,733**	2,017,746	2,668,671
Accounts payable and accrued liabilities	**(2,067,113)**	**(2,974,369)**	(1,039,971)	(1,375,465)
	65,581	**94,364**	977,775	1,293,206

As at December 31, 2024, a 5% change in the US dollar against the Canadian dollar would result in a $4,718 impact on the net loss to the Company.

12. COMMITMENTS

On May 1, 2024, the Company entered into a management services agreement (the "Agreement") with a management services company for the use of certain shared office facilities and related services. As part of the terms of the Agreement, the Company is required to pay a basic fee of $30,000 per month, plus applicable taxes. The Agreement expires on April 30, 2029. The Company is required to make a one-time termination payment as determined by the Agreement and the management services company, if the Company were to terminate the agreement prior to its expiry.

13. INCOME TAXES

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended December 31, 2024 and 2023, is as follows:

	2024	2023
	$	$
Loss for the year	**(22,548,709)**	(20,499,964)
Expected income tax recovery	**(6,088,000)**	(5,535,000)
Non-deductible expenditures and non-taxable revenues	**299,000**	592,000
Change in foreign tax rate and other	**402,000**	330,000
Impact of foreign exchange rates	**(1,302,000)**	-
Share issuance costs	**(233,000)**	-
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	**(48,000)**	160,000
Temporary differences originated in the year	**-**	(368,000)
Change in unrecognized deferred tax assets	**6,970,000**	7,410,000
Change in accounting policy	**-**	(2,589,000)
Income tax	**-**	-

(Expressed in Canadian dollars, except where noted)

13. INCOME TAXES (continued)

A summary of the Company's significant components of deferred tax assets is as follows:

	Year ended December 31, **2024**	2023
	$	$
Deferred tax assets (liabilities)		
Non-Capital losses	**211,000**	238,000
Property and equipment	**(211,000)**	(238,000)
Mineral resource properties	**-**	-
Net deferred tax asset	**-**	-

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

	December 31, 2024	Expiry date range	December 31, 2023	Expiry date range
	$		$	
Deferred tax assets (liabilities)				
Share issuance costs and financing fees	**1,627,000**	**2042 to 2045**	-	
Resource properties	**40,730,000**	**No expiry date**	23,443,000	No expiry date
Non-capital losses	**101,865,000**	**2038 to 2041**	88,899,000	2026 to 2043
Intangible assets	**1,708,000**	**No expiry date**	1,708,000	No expiry date
Property and equipment	**48,000**	**No expiry date**	35,000	No expiry date
Canadian Capital losses	**3,947,000**	**No expiry date**	3,947,000	No expiry date
Charitable donation	**20,000**	**No expiry date**	20,000	No expiry date
Unrecognized deferred tax assets	**149,945,000**		118,052,000	

As at December 31, 2024, the Company has US non-capital losses of approximately $71 million (December 31, 2023 - approximately $61 million) that may be applied to reduce future US taxable income. US losses after January 1, 2018 would not have an expiry period. The Company also has Canadian non-capital losses of approximately $31 million (December 31, 2023 - approximately $28 million) that may be applied to reduce future Canadian taxable income.

14. SUBSEQUENT EVENTS

On February 6, 2025, the Company issued 3,198,630 RSUs to certain employees as part of bonus payments for the 2024 financial year, pursuant to a Board resolution. The RSUs entitle the holders to receive common shares of the Company, subject to the terms of the Company's Amended and Restated LTIP dated May 12, 2023, and the conditions outlined in the respective grant agreements. The RSUs have an exercise price of $0.70 and will vest over a three-year period.