NorthWestcopper

Consolidated Financial Statements

For the Years Ended December 31, 2024, and December 31, 2023

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NorthWest Copper Corp.

Opinion

We have audited the consolidated financial statements of NorthWest Copper Corp. (the "Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023
- the consolidated statements of loss and comprehensive loss for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policies

(Hereinafter referred to as the "financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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.

KPMG

NorthWest Copper Corp.
April 28, 2025

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that during the year ended December 31, 2024 the Entity has a net loss and has accumulated losses since inception.

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the ***"Material Uncertainty related to Going Concern"*** section of the auditor's report, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of indicators of impairment for explorations and evaluation assets

Description of the matter

We draw attention to notes 2(d), (e), and (g) and note 5 to the financial statements. At December 31, 2024, the Entity has exploration and evaluation ("E&E") assets of $78.5 million. E&E assets are assessed for impairment at each reporting period whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. If any such indication exists, then an impairment test is performed.

Management exercises significant judgment in assessing for indicators of impairment. Impairment indicators assessed include:

- whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed;
- substantive expenditure on further exploration and evaluation is not planned or budgeted;
- the exploration activities have not led to a discovery of commercial reserves and the Entity has decided not to continue such activities in the area of interest being explored; or

- sufficient data exists to indicate that, although exploration in the area is likely to continue, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Why the matter is a Key Audit Matter

We identified the evaluation of indicators of impairment for E&E assets as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the E&E assets and the judgment to determine whether future economic benefits are likely. Significant auditor judgement is required to evaluate the results of our audit procedures assessing the Entity's determination of whether indicators of impairment exist.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We evaluated the Entity's analysis of impairment indicators by:

- Assessing the status of the Entity's right to explore by inspecting government registries to confirm that mineral exploration rights are in good standing and discussing with management if any rights are not expected to be renewed.
- Inspecting the Entity's annual exploration and evaluation budget and making inquiries of senior management to determine whether substantive expenditures on further exploration and evaluation are planned for its exploration projects.
- Reading information included in any updated technical reports and relevant internal and external communications, including minutes of meetings of the Board of Directors, press releases, and other public filings to assess exploration results and if the Entity has decided to discontinue exploration or that the carrying amount is unlikely to be recovered for any of its E&E assets.

Other Information

Management is responsible for the other information. Other information comprises the information in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at 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 the 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 International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditor's report is Robert Ryan Owsnett.

Vancouver, Canada
April 28, 2025

NorthWest Copper Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		December 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash		$	280,174	$	231,037
Short term investments			30,000		30,000
Receivables	3		799,586		455,094
Share subscriptions receivable	7(xiv)(xv)		-		1,170,225
Marketable securities	5(c)(vii)		85,130		141,884
Prepaid expenses			69,659		85,932
			1,264,549		2,114,172
Non-current assets					
Property, plant and equipment	4		23,301		33,212
Exploration and evaluation assets	5		78,460,098		78,446,173
Deposits	6		510,638		482,638
			78,994,037		78,962,023
TOTAL ASSETS		**$**	**80,258,586**	**$**	**81,076,195**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	8	$	603,036	$	1,236,258
			603,036		1,236,258
Non-current liabilities					
Closure and reclamation	6		327,500		327,500
TOTAL LIABILITIES			930,536		1,563,758
SHAREHOLDERS' EQUITY					
Share capital	7		149,467,024		145,244,718
Share-based payment reserve	7		21,120,500		21,835,912
Other equity reserves			52,837		52,837
Deficit			(91,312,311)		(87,621,030)
TOTAL SHAREHOLDERS' EQUITY			**79,328,050**		**79,512,437**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**80,258,586**	**$**	**81,076,195**

Nature of operations and going concern (Note 1)
Subsequent events (Notes 5(vii) and 12)

Approved by the Board of Directors on April 28, 2025:

"*Maryantonett Flumian*", Director   "*Enrico DePasquale*", Director

NorthWest Copper Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Notes	Year Ended December 31, 2024	Year Ended December 31, 2023
Expenses			
Exploration and evaluation expenditures	5	$ 1,422,399	$ 1,719,083
Salaries and director fees	8	824,567	1,527,643
Professional fees		494,366	1,568,113
Office and miscellaneous		374,476	459,794
Transfer agent and filing fees		131,494	229,747
Investor relations		127,716	348,589
Depreciation	4	8,266	96,151
Share-based payments	7	3,865	931,124
		(3,387,149)	(6,880,244)
Other income (expense)			
Interest income		11,858	22,558
Loss on marketable securities	5(c)(vii)	(56,754)	(379,852)
Impairment	5(a)	(258,575)	(143,144)
Finance expense		(661)	(3,223)
		(304,132)	(503,661)
Net loss and comprehensive loss for the year		**$ (3,691,281)**	**$ (7,383,905)**
Loss per share – basic and diluted		**$ (0.02)**	**$ (0.04)**
Weighted average number of common shares outstanding		**230,499,108**	**188,205,464**

(Expressed in Canadian Dollars)

		Share capital					
	Notes	Number of shares	Amount	Share-based payment reserve	Other equity reserves	Deficit	Total Shareholders' Equity
Balance at December 31, 2022		**167,228,834**	**$ 137,659,808**	**$ 21,767,921**	**$ 52,837**	**$ (80,237,125)**	**$ 79,243,441**
Units issued for cash - financing	7(viii)(ix)	21,997,086	5,059,330	-	-	-	5,059,330
Fair value of warrants issued - financing	7(viii)(ix)	-	(630,201)	630,201	-	-	-
Shares issued for cash - financing	7(xii)(xiii)	4,897,250	514,211	-	-	-	514,211
Share issued in financing - subscriptions receivable	7(xiv)	2,828,571	297,000	-	-	-	297,000
Share issued in rights offering - subscriptions	7(xv)	8,316,425	873,225	-	-	-	873,225
Share issuance costs	7(ix)(xiv)(xv)	-	(61,489)	-	-	-	(61,489)
Shares issued on exercise of RSUs	7(vi)	1,066,666	953,334	(953,334)	-	-	-
Shares issued on exercise of DSUs	7(vii)	600,000	540,000	(540,000)	-	-	-
Shares issued for acquisition of property interests	5(c)(v)(viii)	218,027	39,500	-	-	-	39,500
Share-based payments	7	-	-	931,124	-	-	931,124
Net loss for the year		-	-	-	-	(7,383,905)	(7,383,905)
Balance at December 31, 2023		**207,152,859**	**$ 145,244,718**	**$ 21,835,912**	**$ 52,837**	**$ (87,621,030)**	**$ 79,512,437**
Units issued for cash - financing	7(iv)	4,600,000	1,150,000	-	-	-	1,150,000
Fair value of warrants issued - financing	7(iv)	-	(250,620)	250,620	-	-	-
Shares issued for cash - financing	7(v)	22,051,905	2,315,450	-	-	-	2,315,450
Share issuance costs	7(iv)(v)	-	(74,921)	-	-	-	(74,921)
Shares issued on exercise of RSUs	7(i)	1,557,814	969,897	(969,897)	-	-	-
Shares issued for acquisition of property interests	5(c)(v)(viii)	452,880	112,500	-	-	-	112,500
Share-based payments	7	-	-	3,865	-	-	3,865
Net loss for the year		-	-	-	-	(3,691,281)	(3,691,281)
Balance at December 31, 2024		**235,815,458**	**$ 149,467,024**	**$ 21,120,500**	**$ 52,837**	**$ (91,312,311)**	**$ 79,328,050**

NorthWest Copper Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Notes	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating activities			
Net loss		$ (3,691,281)	$ (7,383,905)
Adjustments for non-cash items:			
Depreciation	4	9,911	99,483
Finance expense		661	3,223
Interest income		(11,858)	(22,558)
Impairment	5(a)	258,575	143,144
Share-based payments	7	3,865	931,124
Loss on marketable securities		56,754	379,852
Changes in			
Receivables		(344,492)	576,805
Prepaid expenses		16,273	160,788
Trade payables and accrued liabilities		(573,883)	(545,483)
Net cash flows used in operating activities		(4,275,475)	(5,657,527)
Investing activities			
Reclamation deposits	6	(28,000)	-
Proceeds from disposal of marketable securities	5(c)(vii)	-	31,697
Exploration and evaluation assets	5	(220,000)	(54,775)
Deposits returned		-	52,000
Interest received		11,858	22,558
Net cash flows (used in) provided by investing activities		(236,142)	51,480
Financing activities			
Proceeds on issuance of units	7	1,150,000	5,059,330
Proceeds on issuance of shares	7	3,485,675	514,211
Share issuance costs	7	(74,921)	(27,216)
Lease payable repayments		-	(87,594)
Net cash flows provided by financing activities		4,560,754	5,458,731
Net change in cash		49,137	(147,316)
Cash, beginning		231,037	378,353
Cash, ending		**$ 280,174**	**$ 231,037**

1. Nature of operations and going concern

NorthWest Copper Corp. (the "Company" or "NorthWest") was incorporated on March 5, 1973, under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. On March 5, 2021, the Company changed its name to NorthWest Copper Corp. and commenced trading on the TSX-V under the new symbol "NWST".

The principal address of the Company is PO Box 95010 Vancouver RPO Kingsgate, BC, Canada V5T 4T8. The Company's registered and records office address is #2200 – 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. The Company had a net loss of $3,691,281 for the year ended December 31, 2024 (year ended December 31, 2023 - $7,383,905) and negative cash flows from operations of $4,275,475 (year ended December 31, 2023 - $5,657,527) and at December 31, 2024 had accumulated losses of $91,312,311 (December 31, 2023 - $87,621,030) since inception, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to raise sufficient funds through equity capital or borrowings to meet its expenditures and obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. Failure to obtain additional funding on a timely basis may cause the Company to postpone exploration and/or evaluation plans or substantially reduce its operations. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Material accounting policies and basis of preparation

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on April 28, 2025.

a. Statement of compliance with International Financial Reporting Standards

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b. Basis of presentation

These consolidated financial statements of the Company have been prepared on a historical cost basis except for marketable securities which are recorded at fair value in accordance with measurement standards under IFRS. These consolidated financial statements are presented in Canadian dollars unless otherwise specified, which is the Company's and its subsidiaries' functional currency.

c. Consolidation

The consolidated financial statements include the accounts of the Company and its Canadian controlled entities. All intercompany transactions, balances and unrealized gains and losses are eliminated on consolidation. Details of controlled entities are as follows:

(Expressed in Canadian Dollars)

2. Material accounting policies and basis of preparation (cont'd)

		Percentage owned	
	Province of incorporation	December 31, 2024	December 31, 2023
Kwanika Copper Corp.*	British Columbia	N/A	N/A
Tsayta Resources Corp.*(Previously Sun Metals Corp.)	British Columbia	100%	100%
0790202 BC Ltd.**	British Columbia	100%	100%

*Kwanika Copper Corp., Tsayta Resources Corp., and Sun Metals Corp. were amalgamated on March 31, 2023. The continuing legal entity, Sun Metals Corp., subsequently changed its name to Tsayta Resources Corp. Tsayta Resources Corp. holds the Stardust, Lorraine, and Kwanika properties.
**This company is inactive.

d. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets if indicators of impairment are identified and the valuation of share-based payments.

For the years ended December 31, 2024 and December 31, 2023, the Company impaired and wrote-off certain capitalized exploration and evaluation assets for several non-material claims for which the Company does not intend to renew, has allowed to lapse, or does not expect to conduct future exploration work (Note 5(a)). There was no significant estimation or judgment required in making such assessment. There were no indicators of impairment identified with respect to the Company's remaining exploration and evaluation assets at December 31, 2024.

In order to compute the fair value of share-based payments, the Company uses the Black-Scholes option pricing model which inherently requires management to make various estimates and assumptions in relation to the expected life of the award, expected volatility, risk-free rate and forfeiture rates. Changes in any of these inputs could cause a significant change in the share-based compensation expense charged in the statement of loss and to equity reserves in a given period. Key assumptions with respect to the valuation of share-based payments are disclosed in Note 7.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Going concern

The Company's assessment of its ability to continue as a going concern requires judgments about whether there are material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Management has determined that the use of the going concern basis of accounting is appropriate and has disclosed material uncertainties in Note 1 to the financial statements.

ii) Recoverability of exploration and evaluation assets

2. Material accounting policies and basis of preparation (cont'd)

The application of the Company's accounting policy for exploration and evaluation assets and expenditures requires judgment to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditure on further exploration and evaluation of exploration projects are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies and there is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

e. Exploration and Evaluation Expenditures

The fair value of all cash and non-cash consideration paid in relation to the acquisition of mineral property interests are capitalized until the viability of the mineral interest is determined, the mineral property interest is sold, or an impairment is determined. The Company's policy is to expense, as incurred, exploration and evaluation expenditures until the mineral property reaches the development stage.

When it has been established that a mineral deposit is commercially viable and technically feasible, the costs subsequently incurred to develop a mine on the mineral property prior to the start of mining operations are capitalized and will be amortized against production when ready for use as intended by management, or derecognized if the property is sold, allowed to lapse or abandoned.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance of historical characteristics of many resource properties. To the best of the Company's knowledge, title to the Company's mineral project claims are in good standing.

Upon disposal or abandonment, any consideration received is credited against the carrying amount of the exploration and evaluation assets, with any difference from the carrying amount included as a gain or loss in the statement of loss and comprehensive loss.

f. Government Assistance

The Company recognizes resource tax credit amounts as a receivable and a reduction to exploration and evaluation expenditures when the Company's application for such credits is approved by the relevant jurisdiction or when the amount to be received can be reasonably estimated and collection is reasonably assured.

g. Impairment of non-current assets

At each reporting date, property, plant and equipment and exploration and evaluation assets are evaluated for impairment by management whenever events or changes in circumstances indicate that the carrying value is impaired and may not be recoverable.

2. Material accounting policies and basis of preparation (cont'd)

For property plant and equipment, if any such impairment indicators exist, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

For exploration and evaluation assets, the Company follows the guidance in *IFRS 6 – Exploration for and Evaluation of Mineral Resources* to determine whether exploration and evaluation assets are impaired. Impairment indicators relevant for exploration and evaluation properties include:

- whether the rights to explore the area of interest have expired during the period or will expire in the near future, and the rights are not expected to be renewed;

- substantive expenditure on further exploration and evaluation is not planned or budgeted;

- the exploration activities have not led to a discovery of commercial reserves and the Company has decided not to continue such activities in the area of interest being explored; or

- sufficient data exists to indicate that, although exploration in the area is likely to continue, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If an impairment indicator is identified, management will perform an impairment test. If the recoverable amount of the exploration and evaluation assets is less than the carrying amount, an impairment loss will be recorded in the financial statements. Recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

h. Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost.

Management determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired. A financial asset is measured at

2. Material accounting policies and basis of preparation (cont'd)

amortized cost, if it is not designated at FVPL, and it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of the investment.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's non-derivative financial assets are its cash, short term investments, amounts receivables, share subscriptions receivable, marketable securities and reclamation and other deposits, all of which are classified as financial assets at amortized cost, other than marketable securities, which is a financial asset measured at fair value through profit and loss.

(ii) Impairment of Financial Assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases, and the decrease can be objectively related to an event occurring after the impairment was recognized. Given the nature and balances of the Company's financial instrument assets the Company has no material loss allowance as at December 31, 2024, or December 31, 2023.

2. Material accounting policies and basis of preparation (cont'd)

(iii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Such financial liabilities are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The Company's non-derivative financial liabilities are its trades payable and accrued liabilities.

i. Share-based payments

The Company grants stock options, restricted share units ("RSUs"), and deferred share units ("DSUs") to directors, officers, employees and consultants from time to time. 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 for goods or services received 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 offset to the recorded cost is to share-based payment reserve. The Company determines the fair value of share-based payments in consideration of the quoted market price of the Company's common shares for direct share awards, RSUs and DSUs, or by using the Black-Scholes option pricing model for options or warrants issued.

Consideration received on the exercise of stock options or warrants is recorded as share capital and the related equity reserve amount is transferred to share capital. Where awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed in the period the forfeiture occurs.

j. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at banks, and short-term highly liquid investments and bank overdrafts.

k. Loss per Share

Loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the period. Under this method, the weighted average number of common shares used to calculate the dilutive effect in the statement of income (loss) assumes that the proceeds that could be obtained upon exercise of stock options, warrants and similar instruments would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options and warrants would be anti-dilutive.

l. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when the amount has been reasonably estimated. Provisions are not recognized for future operating losses.

The amount recorded as a provision is the best estimate of the consideration required to settle the obligation at the statement of financial position date, taking into account the risks and uncertainties

2. Material accounting policies and basis of preparation (cont'd)

surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The Company records provisions for closure and reclamation on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs. The resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation is estimated using expected cash flows and discounted, if material and the timing of such expenditure is known, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation, the offset of which is charged to the statement of loss, and any changes in the amount or timing of the underlying future cash flows. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs.

Changes in closure and reclamation estimates are accounted for as a change in the corresponding capitalized cost, being the applicable exploration and evaluation asset. Expenditures of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of a mineral property project.

m. Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that the tax relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not probable that the related tax benefit will be realized.

n. Flow through Shares

The Company will from time to time, issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. The Company derecognizes the flow-through share premium liability to the extent the qualifying resource expenditures have been made as of the reporting date and records such amount in determining in other income in the consolidated statement of loss.

Proceeds received from the issuance of flow-through shares are to be used only for Canadian resource property exploration expenditures within a set period. The portion of the proceeds received but not yet

(Expressed in Canadian Dollars)

2. Material accounting policies and basis of preparation (cont'd)

expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments. The Company is also subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a finance expense until paid.

o. New standards, interpretations, amendments and policies:

There are no new standards or interpretations that were effective and adopted by the Company as of January 1, 2024 that had a material impact on the Company's financial statements.

New relevant IFRS Accounting Policies pronouncements that have been issued but are not yet effective are listed below. We plan to apply the new standard or interpretation in the annual period for which it is first required.

a) IFRS 18 – Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1– Presentation of Financial Statements. The new standard aims to improve the quality of financial reporting by: (i) requiring defined subtotals in the statement of profit or loss; (ii) requiring disclosure about management defined performance measures; and (iii) adding new principles for aggregation and disaggregation of information. The new standard will be effective for annual periods beginning on or after January 1, 2027. Early adoption is permitted. The Company is currently assessing the impact of the new standard on the consolidated financial statements.

b) Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments
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 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. Based on the Company's current financial instruments the Company does not anticipate a material impact from adopting these amendments however will continue to monitor and assess the effect of these amendments on the consolidated financial statements.

3. Receivables

		December 31, 2024		December 31, 2023
Goods and services tax receivable	$	15,104	$	36,406
BC METC receivable		775,594		402,673
Other receivables		8,888		16,015
	$	**799,586**	**$**	**455,094**

(Expressed in Canadian Dollars)

3. Receivables (cont'd)

During the year ended December 31, 2024, the Company accrued $515,242 in BC Mineral Exploration Tax Credits ("BCMETC") receivable (year ended December 31, 2023 - $604,502), which was recorded as a reduction in exploration and evaluation expenditures (Note 5). During the year ended December 31, 2024, the Company received $141,831, of the METC accrued in 2023 (year ended December 31 2023 - $201,829 of the METC accrued in 2023). BCMETC receivable at December 31, 2024, includes $260,352 that relates to the year ended December 31, 2023, and is undergoing a normal course audit by the Canada Revenue Agency.

4. Property, plant and equipment

	Leased Office	Furniture and Equipment	Total
Cost			
Balance December 31, 2022	$ 223,437	$ 112,093	$ 335,530
Additions	-	-	-
Balance December 31, 2023	$ 223,437	$ 112,093	$ 335,530
Adjustment	(223,437)	-	(223,437)
Balance December 31, 2024	$ -	$ 112,093	$ 112,093
Accumulated depreciation			
Balance December 31, 2022	$ 142,997	$ 59,838	$ 202,835
Depreciation	80,440	19,043	99,483
Balance December 31, 2023	$ 223,437	$ 78,881	$ 302,318
Depreciation	-	9,911	9,911
Adjustment	(223,437)	-	(223,437)
Balance December 31, 2024	$ -	$ 88,792	$ 88,792
Net book value			
Balance December 31, 2023	$ -	$ 33,212	$ 33,212
Balance December 31, 2024	**$ -**	**$ 23,301**	**$ 23,301**

For the year ended December 31, 2024, depreciation of $1,645 (year ended December 31, 2023 - $3,332) has been included in exploration and evaluation expenditures in the consolidated statements of loss.

5. Exploration and evaluation assets and expenditures

a) ***Exploration and Evaluation Assets***

Details of the Company's exploration and evaluation assets, including acquisition costs related to its projects, are as follows:

	East Niv	Kwanika-Stardust	Lorraine-Top Cat	Milligan West	Other	Total
Balance - December 31, 2022	$ 109,254	$ 74,831,107	$ 3,007,400	$ 43,111	$ 444,170	$ 78,435,042
Additions	-	10,017	112,000	-	$ 32,258	$ 154,275
Impairment	-	-	-	-	$ (143,144)	$ (143,144)
Balance - December 31, 2023	**$ 109,254**	**$ 74,841,124**	**$ 3,119,400**	**$ 43,111**	**$ 333,284**	**$ 78,446,173**
Additions	-	-	217,500	-	$ 55,000	$ 272,500
Impairment	-	-	-	-	$ (258,575)	$ (258,575)
Balance - December 31, 2024	$ 109,254	$ 74,841,124	$ 3,336,900	$ 43,111	$ 129,709	$ 78,460,098

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets and expenditures (cont'd)

During the year ended December 31, 2024, the Company recorded an impairment of $258,575 (year ended December 31, 2023 - $143,144) relating to capitalized acquisition costs of several non-material claims the Company does not intend to renew, has already allowed to lapse or does not expect to conduct future exploration work at.

b) ***Exploration and Evaluation Expenditures***

The nature of exploration expenditures during the years ended December 31, 2024, and December 31, 2023, are as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Salaries	$ 573,181	$ 1,268,146
Drilling and assaying	287,646	180,863
ESG	275,410	223,460
Contractors	214,909	-
Camp and operations	192,187	99,102
Software, storage and admin	139,802	202,771
Geophysics	90,000	106,054
Equipment Rental	89,266	-
Travel and accommodation	57,539	93,269
Aircraft	17,701	41,825
Resource studies	-	108,095
Government Assistance	(515,242)	(604,502)
Total	**$ 1,422,399**	**$ 1,719,083**

Details of the Company's exploration and evaluation expenditures, by exploration project, which have been cumulatively expensed in the statements of loss and comprehensive loss from the date of acquisition, are as follows:

	East Niv	Kwanika-Stardust	Lorraine-Top Cat	Milligan West	Other	Total
Balance - December 31, 2023	$ 8,740,013	$ 13,968,588	$ 7,054,384	$ 590,152	$ 1,150,716	$ 31,503,853
Costs incurred during period:						
Salaries	2,662	221,435	347,931	-	1,153	573,181
Drilling and assaying	-	-	287,646	-	-	287,646
ESG	55,287	62,126	92,664	-	65,333	275,410
Contractors	-	-	214,909	-	-	214,909
Camp and operations	-	-	192,187	-	-	192,187
Software, storage and admin	23,321	46,518	46,642	-	23,321	139,802
Geophysics	-	8,098	81,902	-	-	90,000
Equipment Rental	-	-	89,266	-	-	89,266
Travel and accommodation	1,354	7,195	47,636	-	1,354	57,539
Aircraft	-	-	12,082	-	5,619	17,701
Government Assistance	(18,125)	(86,855)	(388,223)	-	(22,039)	(515,242)
	64,499	258,517	1,024,642	-	74,741	1,422,399
Balance - December 31, 2024	**$ 8,804,512**	**$ 14,227,105**	**$ 8,079,026**	**$ 590,152**	**$ 1,225,457**	**$ 32,926,252**

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets and expenditures (cont'd)

	East Niv	Kwanika-Stardust	Lorraine-Top Cat	Milligan West	Other	Total
Balance - December 31, 2022	$ 8,550,544	$ 13,168,641	$ 6,405,439	$ 588,441	$ 1,071,705	$ 29,784,770
Costs incurred during period:						
Salaries	100,787	704,892	416,265	2,228	43,974	1,268,146
ESG	41,444	71,133	75,691	-	35,192	223,460
Software, storage and admin	39,035	83,236	57,917	-	22,583	202,771
Drilling and assaying	(5,010)	21,153	164,720	-	-	180,863
Resource studies	-	108,095	-	-	-	108,095
Geophysics	20,923	16,085	67,384	216	1,446	106,054
Camp and operations	17,153	28,768	53,181	-	-	99,102
Travel and accommodation	18,889	27,421	46,959	-	-	93,269
Aircraft	20,720	-	21,105	-	-	41,825
Government Assistance	(64,472)	(260,836)	(254,277)	(733)	(24,184)	(604,502)
	189,469	799,947	648,945	1,711	79,011	1,719,083
Balance - December 31, 2023	**$ 8,740,013**	**$ 13,968,588**	**$ 7,054,384**	**$ 590,152**	**$ 1,150,716**	**$ 31,503,853**

c) *Exploration projects*

(i) Kwanika-Stardust Project

The Company owns 100% of the copper-gold Kwanika-Stardust project, located in north-central British Columbia. The Kwanika-Stardust project is comprised of the adjacent Stardust and Kwanika properties. The Company acquired the Stardust property following completion of the arrangement agreement with Sun Metals Corp. in 2021, and the Company purchased POSCO's remaining interest in KCC, the entity which owned the Kwanika property, in 2022.

(ii) East Niv

The Company acquired East Niv, located in British Columbia, by staking in 2018. In 2021, the Company staked an additional 16 claims.

(iii) Lorraine Project

The Lorraine project comprises two contiguous properties in British Columbia, the Lorraine-Jajay and the Tam-Misty properties. The Company owns 100% of the Lorraine-Jajay property, and 90% of the adjacent Tam-Misty property, with Commander Resources holding a 10% carried interest. The Tam-Misty property is subject to a 3% NSR royalty, which can be reduced to 1% NSR royalty by paying $1,000,000 per each 1% for a total of $2,000,000 dollars and is subject to a capped advanced royalty payment of $500,000, of which $500,000 had been paid by December 31, 2021. In addition, a 2% NSR royalty exists relating to claims comprising certain claims known as the Lorraine and Dorothy claims and 2% NSR royalties exist in relation to certain claims known as the Steelhead and Steele claims.

Pursuant to the terms of an agreement between the Company's subsidiary Tsayta and Teck Resources Limited ("Teck" and the "Teck Agreement" respectively), dated November 26, 2020, Tsayta acquired Teck's 51% joint venture interest in the Lorraine Project in exchange for $1,500,000 that was paid in common shares over a two-year period.

The Company may also make the following contingent milestone payments to Teck in either cash or common shares of the Company:

- $500,000 upon a Preliminary Economic Assessment;
- $2,000,000 upon a Feasibility Study; and
- $5,000,000 upon a construction decision.

5. Exploration and evaluation assets and expenditures (cont'd)

Such contingent amounts are not accrued at December 31, 2024, and will be recorded only at such date that meeting the associated milestone is reasonably certain.

Pursuant to the terms of the acquisition, Teck has also retained a 1.0% NSR royalty on all claims that are not already burdened by a royalty and a 0.25% NSR royalty on all claims that are subject to existing royalties. Additionally, if the Company sells or options all or a portion of the property to a third party at any time during a 60-month period commencing from the date of the Teck Agreement, the Company will pay to Teck 20% of the sale proceeds, net of exploration expenses incurred on the property by the Company following closing.

(iv) Milligan West

The Company owns a 56.3% interest in the Milligan West property, an unincorporated joint venture with Fjordland Exploration Inc., an arm's-length company also listed on the TSX-V. The Company is entitled to act as Operator for so long as its interest is 50% or more.

(v) Top Cat

On July 12, 2019, the Company optioned the Top Cat claims, and may earn a 100% interest by:

- Making staged cash payments totaling $340,000 over 5 years; $18,000 of which was paid on signing. On November 7, 2019, the Company issued 41,666 shares at a fair value of $18,333 in lieu of cash payment pursuant to the option agreement. On July 13, 2020, the Company paid $22,000, on July 20, 2021, paid $25,000, and on July 13, 2022, paid $60,000;
- Issuing a total of 750,000 common shares in stages over a 5-year period. On August 2, 2019, 50,000 shares with a fair value of $27,000 were issued upon TSX-V approval of the option agreement. On July 13, 2020, the Company issued 50,000 shares with fair value of $28,000, on July 20, 2021, the Company issued 50,000 shares with a fair value of $35,000, on July 13, 2022, the Company issued 100,000 shares with a fair value of $25,500, on July 31, 2023 issued 150,000 common shares with a fair value of $27,000, and on July 31, 2024, the Company issued 350,000 common shares with a fair value of $87,500;
- Incurring a total of $1,250,000 in exploration expenditures over a 5-year period with a minimum of $100,000 to be spent before the first anniversary of the agreement, which minimum was made prior to the first anniversary;
- Granting the optionors a 3% NSR on the property, subject to the Company's right to purchase a 2% NSR for $2,000,000 at any time prior to the first anniversary of commercial production.

The Company entered into an amendment to the Top Cat option agreement dated July 19, 2023, to amend certain terms related to the fourth tranche cash payment. As a result of the amendment, the Company paid $25,000 in July 2023 and $60,000 in January 2024. The Company accrued for the $60,000 payment at December 31, 2023 as such amount was due in 2023, with the Company receiving an extended payment term to February 1, 2024.

The Company entered into a second amendment to the Top Cat option agreement dated July 24, 2024, to amend certain terms related to the fifth and final tranche cash payment. As a result of the amendment, the Company paid $130,000.

As at October 1, 2024, the Company had completed all required cash payments, issued all required common share payments, incurred the required exploration expenditures and has acquired 100% ownership of the Top Cat claims, subject to the 3% NSR.

(vi) Net Smelter Return Royalties ("NSRs") – Thor Marmot and Deer Lake Properties

5. Exploration and evaluation assets and expenditures (cont'd)

During the year ended February 28, 2019, the Company acquired NSRs of 0.75% on each of the Thor Marmot and Deer Lake Properties located in the Kemess and Kamloops Mining Districts from Electrum and received a payment of $10,000 in exchange for Portable Assessment Credits that the Company transferred to Electrum for the maximum allowable five-year period.

(vii) Okeover Property

On March 11, 2022, the Company received 267,159 common shares with a fair value of $253,801 (and a deemed value of $250,000) from Star Copper Corp. (formerly Alpha Copper Corp.) ("Star"), a CSE-listed company (the "Star Shares"), representing the first payment under a property option agreement dated January 13, 2022, among Eastfield Resources Ltd., Star and the Company (the "Option

Agreement"). Pursuant to the Option Agreement, Star had the right to acquire a 100% interest in the Okeover property, subject to a 2% NSR, by issuing common shares and incurring staged expenditures over a three year period.

Pursuant to the terms of the Option Agreement, the issuance of additional shares with a value of $500,000 on or before March 11, 2023, and $500,000 in expenditures were an obligation of Star upon entering into the Option Agreement and as such at December 31, 2022, the Company had recorded a receivable from Star of $500,000. In March 2023, the Company received notice of termination from Star of the Option Agreement. The common shares with a value of $500,000 were not received in March 2023 and the Company notified Star of their obligation under the Option Agreement to issue the common shares.

In September 2023, the Company entered into a property sale agreement with Star, whereby Star acquired a 100% interest in the Okeover property, subject to a 2% NSR to be retained by the Company (the "NSR Royalty") and by issuing common shares with a value of $500,000, which settled the outstanding receivable.

On October 6, 2023, the Company completed the sale of the Okeover property to Star and received 5,675,369 common shares with a fair value of $482,406 (and a deemed value of $500,000) and the 2% NSR. Subsequently, Star completed two common share consolidations, as a result of which NorthWest holds 567,536 common shares of Star (the "Second Star Shares").

The Star Shares and Second Star Shares were classified as fair value through profit and loss financial instruments and were recorded as marketable securities in the statement of financial position, with gains and losses resulting from the change in fair value recorded in the consolidated statement of loss for the period. In June 2023, the Company disposed of the 267,159 Star Shares for proceeds of $31,697 and recorded a loss of $21,735 in the statement of loss for the year ended December 31, 2023.

The Company recorded a loss of $56,754 from the change in fair value of the Second Star Shares for the year ended December 31, 2024 (year ended December 31, 2023 – loss of $379,852 from the change in fair value of the Star and Second Star Shares). The fair value of the Second Star Shares at December 31, 2024 is $85,130, determined by reference to their quoted closing market price at the reporting date. The Company disposed of the 567,536 shares in January 2025 for proceeds of $84,000.

(viii) Other Properties

The Company also holds a 100% interest in several other properties located in British Columbia, including the Arjay, Tchentlo and Croy-Bloom properties.

On September 13, 2022, the Company entered into an agreement to option the Asitka claims, located adjacent to the Company's Arjay property in British Columbia, and may earn a 100% interest, subject to a 1.5% NSR, by:

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets and expenditures (cont'd)

- Making staged cash payments totaling $230,000 over 4 years; and
- Issuing common shares with a total fair value of $200,000 in stages over a 4-year period.

The Company is under no obligation to issue any of the common shares or make any cash payments. The Company can decide not to proceed with the option at any time.

Subsequent to the agreement receiving all required approvals, on October 18, 2022, the Company made the first option payments, comprised of $10,000 and 46,568 common shares with a fair value of $12,500. In July 2023, the Company made the second option payments, comprised of $15,000 and 68,027 common shares with a fair value of $12,500. In July 2024, the Company made the third option payments, comprised of $30,000 and 102,880 common shares with a fair value of $25,000.

6. Reclamation deposits and closure and reclamation provision

The Company has posted bonds and investment certificates to provide for certain potential current and future reclamation liabilities as agreed with the Province of British Columbia – Ministry of Energy, Mines and Low Carbon Innovation. The deposits are considered long-term, regardless of their term, as the funds will remain on deposit until any potential obligation is extinguished.

		December 31, 2024		December 31, 2023
Balance, beginning	$	482,638	$	482,638
Additional reclamation deposits required		28,000		-
Balance, Ending	**$**	**510,638**	**$**	**482,638**

The Company has recorded a provision for closure and reclamation in the amount of $327,500 (December 31, 2023 - $327,500), being the best estimate of the costs required in relation to disturbances to date. As the Company does not have a set timeline as to when any such reclamation activities will occur it has recognized the full amount of the provision and has not discounted the provision. The Company does not expect to incur any reclamation costs in the next year.

7. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value and 20,000,000 preferred shares.

Issued share capital

<u>Year ended December 31, 2024</u>

At December 31, 2024, there were 235,815,458 issued and fully paid common shares, and nil preferred shares.

i) During the year ended December 31, 2024, 1,557,814 RSUs were exercised by employees and former employees and settled in common shares of the Company.

ii) On July 31, 2024, the Company issued 350,000 shares with a fair value of $87,500 pursuant to the option agreement on the Top Cat project (Note 5c(v)).

iii) On July 31, 2024, the Company issued 102,880 shares with a fair value of $25,000 pursuant to the option agreement on the Asitka claims (Note 5c(viii)).

iv) On September 20, 2024, the Company closed a non-brokered private placement financing for gross proceeds of $1,150,000, consisting of 4,600,000 units at a price of $0.25 per unit (a "Unit"). Each

7. Share capital and reserves (cont'd)

Unit consists of one common share of the Company (each, a "Common Share") and one non-transferable Common Share purchase warrant (each a "Warrant"), with each Warrant exercisable to purchase one additional Common Share until September 20, 2026, at an exercise price of $0.30. In connection with the private placement the Company paid legal fees totaling $32,164.

v) On January 24, 2024, the Company closed the fourth and final tranche of the private placement announced on November 27, 2023, for aggregate gross proceeds of $2,315,450, consisting of 22,051,905 common shares of the Company. In connection with the final tranche of the private placement the Company paid legal fees totaling $42,757.

Year ended December 31, 2023

At December 31, 2023, there were 207,152,859 issued and fully paid common shares, and nil preferred shares.

vi) During the year ended December 31, 2023, 1,066,666 RSUs were exercised by employees and consultants and settled in common shares of the Company.

vii) During the year ended December 31, 2023, 600,000 DSUs were exercised by former Directors and settled in common shares of the Company.

viii) On February 3, 2023, the Company closed the first tranche of a private placement offering for aggregate proceeds of $4,332,730, consisting of 18,837,955 units at a price of $0.23 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 3, 2025, at an exercise price of $0.30.

ix) On February 9, 2023, the Company closed the second and final tranche of a private placement offering for aggregate proceeds of $726,600, consisting of 3,159,131 units at a price of $0.23 per unit. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant, with each whole warrant exercisable to purchase one additional common share until February 9, 2025, at an exercise price of $0.30. In connection with the private placement the Company paid commissions and legal fees totaling $27,216.

x) On July 31, 2023, the Company issued 150,000 shares with a fair value of $27,000 pursuant to the option agreement on the Top Cat project (Note 5(c)(v)).

xi) On July 31, 2023, the Company issued 68,027 shares with a fair value of $12,500 pursuant to the option agreement on the Asitka claims (Note 5(c)(viii)).

xii) On December 11, 2023, the Company closed the first tranche of a private placement offering for aggregate proceeds of $225,251, consisting of 2,145,250 common shares of the Company which were issued on closing.

xiii) On December 21, 2023, the Company closed the second tranche of a private placement offering for aggregate gross proceeds of $288,960, consisting of 2,752,000 common shares of the Company which were issued on closing.

xiv) On December 29, 2023, the Company closed the third tranche of a private placement offering for aggregate gross proceeds of $297,000, consisting of 2,828,571 common shares of the Company which were issued on closing. At December 31, 2023, the proceeds of the third tranche were held in trust with the Company's legal counsel and were received in January 2024. In connection with tranches 1-3 of the private placement the Company paid commissions totaling $11,273.

xv) On December 29, 2023, the Company closed a rights offering financing for aggregate proceeds of $873,225, consisting of 8,316,425 common shares of the Company which were issued on closing.

(Expressed in Canadian Dollars)

7. Share capital and reserves (cont'd)

At December 31, 2023, the proceeds of the rights offering were held in trust with the Company's transfer agent and were received in January 2024. The Company paid legal fees totaling $23,000 in regard to tranches 1-3 of the private placement and the rights offering.

Warrants

The changes in warrants during the years ended December 31, 2024, and December 31, 2023, are as follows:

	December 31, 2024		December 31, 2023	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning	10,998,548	$ 0.30	4,625,381	$ 1.63
Warrants issued	4,600,000	0.30	10,998,548	0.30
Warrants exercised	-	-	-	-
Warrants expired	-	-	(4,625,381)	1.63
Warrants outstanding, ending	**15,598,548**	**$ 0.30**	**10,998,548**	**$ 0.30**

Warrants outstanding at December 31, 2024, are as follows:

Number of warrants	Exercise price	Expiry date
9,418,982	$0.30	February 3, 2025
1,579,566	$0.30	February 9, 2025
4,600,000	$0.30	September 20, 2026
15,598,548		

The proceeds from the private placements of units in February 2023 and September 2024 were allocated on a relative fair value basis between the common shares and warrants that comprise each unit. The fair value of warrants granted during the years ended December 31, 2024 and December 31, 2023, and used in the relative fair value calculation, was determined using the Black-Scholes option pricing model. The assumed dividend yield and forfeiture rate were nil and nil, respectively. Other weighted average assumptions were as follows:

	February 2024	September 2024
Expected life of warrants in years	2	2
Annualized volatility[1]	60.3%-60.9%	75.60%
Risk-free interest rate	3.9%	3.0%

[1] Volatility was determined using the average historic volatility of the Company's share price over the same period of time as the expected life of the warrant.

As a result of the relative fair value allocation, $250,620 of the proceeds in relation to the September 2024 private placement and $630,201 of the proceeds in relation to the February 2023 private placement were allocated to the value of the warrants and recorded in share-based payment reserve in the statement of equity.

Stock options

(Expressed in Canadian Dollars)

7. Share capital and reserves (cont'd)

The Company has adopted an equity incentive plan (the "EIP"), which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V policies, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares. On September 26, 2023, the Company's shareholders approved the EIP, which is a 10% rolling plan, whereby stock options, RSUs and DSUs granted by the Company shall not exceed 10% of the outstanding common shares. Additionally, the maximum number of RSUs and DSUs shall not exceed 3% of the outstanding common shares.

The changes in stock options during the years ended December 31, 2024, and December 31, 2023, are as follows:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	12,006,967	$ 0.67	11,519,675	$ 0.82
Options granted	650,000	0.15	4,240,625	0.20
Options exercised	-	-	-	-
Options expired	(5,408,724)	0.61	(2,101,666)	0.92
Options forfeited	(483,334)	0.66	(1,651,667)	0.51
Options outstanding, ending	**6,764,909**	**$ 0.59**	**12,006,967**	**$ 0.62**
Options exercisable, ending	**5,087,825**	**$ 0.72**	**9,048,008**	**$ 0.67**

Details of options outstanding as at December 31, 2024, are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.15 - $0.60	3.24 years	2,748,958	1,071,874
$0.65 - $0.80	1.64 years	1,830,000	1,830,000
$0.84 - $0.90	1.09 years	2,185,951	2,185,951
	2.18 years	**6,764,909**	**5,087,825**

The fair value of options granted during the years ended December 31, 2024, and December 31, 2023, was determined using the Black-Scholes option pricing model. For all grants, the assumed dividend yield and forfeiture rate were nil and nil, respectively. Other weighted average assumptions were as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Expected life of options	5 years	5 years
Annualized volatility	66.5%	84.8%-85.2%
Risk-free interest rate	3.1%	3.1%-3.9%
Weighted average Black-Scholes fair value	$0.09	$0.14

[1] Volatility was determined using the average historic volatility of the Company's share price over the same period of time as the expected life of the option.

(Expressed in Canadian Dollars)

7. Share capital and reserves (cont'd)

Stock options granted are typically subject to vesting provisions whereby one third vest one year from the grant date, one third vest two years from the grant date, and one third vest three years from the grant date. The following option grants are subject to alternate vesting provisions:

1. 1,300,000 of the 3,540,625 options granted January 6, 2023, were granted to non-executive directors and vested immediately. The remaining 2,240,625 options were granted to employees and consultants and subject to typical vesting provisions.
2. The 300,000 options granted on May 12, 2023, were granted to the Company's interim chief executive officer and vest one year from the grant date. These options were forfeited on September 28, 2023, upon his departure.
3. The 400,000 options granted on September 6, 2023, were granted to a non-executive director and vested immediately.

The Company recorded share-based payment expense related to stock options for the year ended December 31, 2024, of $13,084 (year ended December 31, 2023 - $547,149). The net expense related to stock options for the year ended December 31, 2024, reflects a reversal of expense recorded in prior periods of $177,788, relating to the forfeiture of 483,334 unvested options, by departing employees and consultants (year ended December 31, 2023 - $301,879).

Deferred Share Units ("DSU")

Under the Company's EIP, the board of directors may, from time to time, grant DSUs to non-employee directors of the Company. The DSUs vest immediately and can be redeemed by the holder for no consideration during the period commencing immediately following a termination of the holders' position as a director and ending on the 90th day following such termination date. There were nil DSUs outstanding at December 31, 2023, and December 31, 2024. DSU expense for the year ended December 31, 2024, was $nil (year ended December 31, 2023 - $nil).

Restricted Share Units ("RSU")

Under the Company's EIP, the board of directors may, from time to time, grant RSUs to employees, consultants or directors of the Company. The board of directors may determine the time during which the RSUs shall vest and the method of vesting, subject to TSX-V policies.

A summary of RSU activity during the years ended December 31, 2024, and December 31, 2023, is as follows:

	Number of RSUs
Outstanding balance – December 31, 2022	3,325,000
Granted	757,813
Forfeited	(633,334)
Exercised	(1,066,666)
Outstanding balance – December 31, 2023	2,382,813
Granted	250,000
Forfeited	(149,999)
Expired	(166,667)
Exercised	(1,557,814)
Outstanding balance – December 31, 2024	**758,333**

RSUs granted are typically subject to vesting provisions whereby one third vest one year from the grant date, one third vest two years from the grant date, and one third vest three years from the grant date. The RSUs granted during the year ended December 31, 2024, vest on this basis over three years. The RSUs

7. Share capital and reserves (cont'd)

granted on January 6, 2023, and May 12, 2023, vest one year from the grant date. The 200,000 RSUs granted on May 12, 2023, were forfeited on September 28, 2023.

The weighted average fair value of the RSUs granted during the year ended December 31, 2024 was $0.15 per RSU (year ended December 31, 2023 - $0.21).

RSU recovery for the year ended December 31, 2024, was $9,219 (year ended December 31, 2023 – expense of $332,975). The net recovery related to RSUs for the year ended December 31, 2024, reflects a reversal of expense recorded in prior periods of $107,100, relating to the forfeiture of 149,999 unvested RSUs by departing consultants (year ended December 31, 2023 - $220,864).

Reserves

The share-based payment reserve comprises share-based payments and warrant payments. When stock options or warrants are exercised, the corresponding amount is transferred to share capital. When stock options and warrants expire, the corresponding amount remains in share-based payment reserve.

8. Related party transactions

The Company has the following related party balances and transactions as at December 31, 2024, and December 31, 2023, and for the years ended December 31, 2024, and December 31, 2023.

Related party balances and transactions

Oxygen Capital Corp ("Oxygen") is a private company owned by two former directors of the Company and provided technical and administrative services to the Company under a Technical and Administrative Services Agreement dated September 1, 2021 (the "Oxygen Agreement") at cost, including providing office facilities and other administrative functions. The 10-year lease of the Company sublet from Oxygen (the "Lease"), ended on September 30, 2023, and the Company and Oxygen mutually gave notice to terminate the Oxygen Agreement, effective September 30, 2023. As at December 31, 2023, Oxygen held no security deposit on behalf of the Company. Oxygen was considered a related party of the Company until September 26, 2023, when the owner of Oxygen ceased to be a member of the Company's board of directors.

During the year ended December 31, 2023, a total of $183,165 was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company. Such amounts included the reimbursement of lease related expenses, comprised of principal lease repayments of $87,594 and variable lease payments of $40,378 (total variable lease payments for the year ended December 31, 2023 – $49,633). As at December 31, 2023, the Company had a payable amount to Oxygen of $29,714. This amount was paid in the current year and there is no outstanding balance to Oxygen as at December 31, 2024.

During the year ended December 31, 2024, the Company agreed to reimburse certain shareholders for costs incurred of $179,988 for the proxy contest that occurred in relation to the Company's 2023 Annual General Meeting ("AGM").

Key management personnel compensation – paid or accrued

Key management personnel for the years ended December 31, 2024 and 2023 includes the members of the former Board of Directors (from January 1 to September 26, 2023), the current Board of Directors (from September 26, 2023 to December 31, 2024), the previous President and Chief Executive Officer (from January 1 to April 25, 2023), the Interim President and Chief Executive Officer (from April 26, 2023 to September 28, 2023), the current Chief Executive Officer (from November 26, 2024 to December 31, 2024) the Chief Financial Officer, the Vice President, Exploration and the Vice President, Sustainability. The aggregate total compensation paid or payable to key management for services is as follows:

(Expressed in Canadian Dollars)

8. Related party transactions (cont'd)

		Year Ended December 31 2024		Year Ended December 31 2023
Salaries	$	679,175	$	901,902
Termination payment		-		226,600
Director fees		273,750		300,833
Non-cash share-based payments		124,652		790,457
	$	**1,077,577**	**$**	**2,219,792**

Trade payables and accrued liabilities at December 31, 2024, includes $145,833 of accrued fees to former directors, and $68,750 of accrued fees to current directors.

Trade payables and accrued liabilities at December 31, 2023, included $145,833 of accrued fees to former directors and $78,750 of accrued fees to current directors, and deferred salaries of $44,147. The $78,750 of accrued fees to current directors was paid during the year ended December 31, 2024, as well as the $44,147 of deferred salaries. Accounts payable at December 31, 2023, also included $58,218 outstanding to a former director of the Company in regard to costs incurred for the proxy contest associated with the 2023 AGM. This amount was paid during the year ended December 31, 2024.

9. Segmented information

The Company conducts its business in a single operating segment which is the mineral exploration business in Canada. The Company's exploration and evaluation assets are located in Canada.

10. Financial instruments

The Company's financial instruments consists of cash, short term investments, receivables, marketable securities, deposits, and trade payables, with the carrying amounts presented in the statement of financial position approximating their respective fair values because of their relatively short-term nature of such instruments.

There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

The Second Star Shares (Note 5c)(vii)) are a financial instrument measured at fair value through profit and loss using Level 1 inputs as Star is listed on the Canadian Securities Exchange ("CSE") market. Other than the impact of the change in Star's share price, no factors affecting the fair value of the Second Star Shares in the time from the initial recognition to the period end were identified. Other than the Second Star Shares, the Company does not have any financial instrument assets or liabilities measured and recognized in the statement of financial position at fair value.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

10. Financial instruments (cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk is on its cash, short-term investments, receivables, share subscriptions receivable and deposits, the carrying value of such accounts in the statement of financial position represents the Company's maximum exposure to credit risk.

Cash and short-term investments are deposited in bank accounts at major banks in Canada for which there is low credit risk. As most of the Company's cash and cash equivalents are held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

The Company is also exposed to credit risk with respect to receivables and deposits. To reduce credit risk, the Company regularly reviews the collectability of its amounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. The Company historically has not had difficulty collecting its amounts receivable and has no provision for credit loss recorded at December 31, 2024, or December 31, 2023. The Company's deposits are with the government or financial institutions for reclamation for which credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to

support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from its ability to raise sufficient equity capital or borrowings and its holdings of cash and cash equivalents. See Note 1 Going Concern.

The Company's cash and short-term investments are liquid and available to meet the Company's ongoing obligations. The contractual maturities of the Company's trade payables and accrued liabilities are less than one year.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is primarily exposed to interest rate risk with respect to interest earned on cash. A 1% change in the interest rate during the year ended December 31, 2024, or year ended December 31, 2023, would not have had a material impact on the Company's financial results.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to explore its mineral property interests and continue its operations for the benefit of its shareholders. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

11. Income tax

A reconciliation of income taxes at the Company's statutory income tax rate of 27% with the reported income taxes is as follows:

		December 31, 2024		December 31, 2023
Net income (loss)	$	(3,691,281)	$	(7,383,905)
Expected income tax recovery		(996,646)		(1,993,655)
Deductible and non-deductible amounts		87,777		359,908
Share issuance cost		(20,229)		(16,602)
Change in unrecognized deductible temporary differences		929,209		1,650,349
Income tax recovery	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets and liabilities are as follows:

		December 31, 2024		December 31, 2023
Deferred tax assets				
Exploration and evaluation assets	$	1,832,436	$	1,435,768
Investment tax credits		264,347		264,347
Equipment		120,050		116,002
Share issuance costs		192,387		337,488
Capital lease obligations		-		-
Non-capital losses		8,633,328		7,967,394
Capital losses		660,457		660,457
Reclamation obligation and other		174,121		166,459
Unrecognized		(11,877,124)		(10,947,915)
		-		-
Deferred tax liabilities				
Right-of-use asset		-		-
Other		-		-
Net deferred tax liability	**$**	**-**	**$**	**-**

The Canadian non-capital losses carry forward at December 31, 2024, are $31,975,288 and will expire between 2025 – 2044. Non-capital losses expiring in the next five years are as follows: 2025 - $355,769; 2026 - $511,426; 2027 - $332,824; 2028 - $1,023,141; and 2029 - $1,236,934. The Canadian capital losses carryforward at December 31, 2024, are $4,892,274 and do not expire.

12. Subsequent events

Share capital transactions

a) Subsequent to December 31, 2024, 508,333 RSUs were exercised by employees and settled in an equivalent number of common shares of the Company.

b) Subsequent to December 31, 2024, the Company granted 325,000 stock options with an exercise price of $0.21 and 125,000 RSUS to a new employee. Both grants vest one third each year following the grant date.

c) Subsequent to December 31, 2024, 203,334 stock options expired unexercised.

d) Subsequent to December 31, 2024, 10,998,548 warrants expired unexercised.