



**Condensed Interim Consolidated Financial Statements  
(Unaudited)**

**As at and for the three and six months ended June 30, 2025 and 2024**

**(in Canadian dollars)**

**Talisker Resources Ltd.**  
**Condensed Interim Consolidated Statements of Financial Position (Unaudited)**  
(Expressed in Canadian dollars)

As at,	Notes	June 30, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 18,426,885	\$ 14,811,384
Marketable securities	6	4,321,711	2,157,562
Amounts receivable	5	585,946	672,657
Inventory	7	2,061,600	158,654
Prepaid and other expenses		1,089,172	651,209
Total current assets		26,485,314	18,451,466
Reclamation deposits	15	1,468,300	1,468,300
Property, plant and equipment	8	14,931,890	7,316,955
Exploration and evaluation assets	9	18,041,460	17,991,423
<b>TOTAL ASSETS</b>		<b>\$ 60,926,964</b>	<b>\$ 45,228,144</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10, 21	\$ 4,926,222	\$ 3,433,418
RSU Liability	19	355,879	-
Current portion of lease obligation	11	266,255	234,941
Current portion of gold linked notes	12	243,521	217,753
Current portion of deferred revenue	14	357,664	130,776
Total current liabilities		6,149,541	4,016,888
Provision for site reclamation and closure	15	18,489,205	18,209,280
Lease payable	11	152,626	26,556
Gold linked notes	12	1,379,959	1,214,817
Deferred revenue	14	17,534,520	16,224,410
Convertible debentures	13	4,357,512	4,364,817
Total liabilities		48,063,363	44,056,768
<b>Shareholders' equity</b>			
Issued capital	16	120,303,250	104,587,941
Share-based payment reserve	19	867,550	347,000
Warrant reserve	18	11,758,600	6,677,200
Conversion component of convertible debentures	13	448,308	448,308
Accumulated deficit		(120,514,107)	(110,889,073)
Total shareholders' equity		12,863,601	1,171,376
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 60,926,964</b>	<b>\$ 45,228,144</b>

**Nature of operations and going concern (note 1)**

On behalf of the Board:

*Signed: "Terence Harbort"*

Terence Harbort  
Chief Executive Officer and Director

*Signed: "Morris Prychidny"*

Morris Prychidny  
Director

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

**Talisker Resources Ltd.**  
**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)**  
(Expressed in Canadian dollars)

	Notes	Three months ended June 30, 2025	2024	Six months ended 30, 2025	June 2024
<b>Expenses</b>					
Exploration and evaluation expenditures	21	(96,686)	1,207,245	1,151,411	4,852,804
Mine care and maintenance costs	21	238,589	202,993	547,853	476,689
Consulting and wages	21	706,601	518,893	1,398,454	1,005,695
Administration		279,733	333,306	447,419	596,995
Share-based expense	19	119,484	5,672	849,147	9,100
Public company costs	21	343,880	360,053	534,918	558,979
Travel and other		54,039	22,151	68,047	65,997
Depreciation of property, plant and equipment	8	219,607	285,281	438,645	590,063
<b>Total expenses</b>		<b>1,865,247</b>	<b>2,935,594</b>	<b>5,435,894</b>	<b>8,156,322</b>
<b>Other income and expense</b>					
Finance expense (income)		(28,568)	153,660	(60,460)	179,710
Foreign currency translation loss (gain)		217,901	(81,056)	266,783	(71,128)
Interest on convertible and gold linked loans	12, 13	220,047	-	440,033	-
Accretion on convertible and gold linked loans	12, 13	93,052	-	181,374	-
Write down of inventory	7	1,309,871	-	1,309,871	-
Interest on financing component of deferred revenue	14	790,933	-	1,536,998	-
Unrealized gain on marketable securities	6	(7,500)	-	(60,000)	-
Loss on revaluation of RSU liability		7,273	-	64,743	-
Change in fair value of derivative in gold linked notes	13	(10,603)	-	246,523	-
Accretion on site reclamation and closure	15	151,008	140,208	279,925	280,415
		<b>2,743,414</b>	<b>212,812</b>	<b>4,205,790</b>	<b>388,997</b>
Loss before income taxes		<b>4,608,661</b>	<b>3,148,406</b>	<b>9,641,684</b>	<b>8,545,319</b>
Income tax recovery		-	-	-	(318,000)
<b>Net loss and comprehensive loss</b>		<b>\$ 4,608,661</b>	<b>\$ 3,148,406</b>	<b>\$ 9,641,684</b>	<b>\$ 8,227,319</b>
<b>Loss per share - basic and diluted</b>					
		<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ 0.09</b>	<b>\$ 0.09</b>
<b>Weighted average common shares outstanding</b>		<b>117,633,250</b>	<b>89,198,377</b>	<b>108,509,896</b>	<b>89,191,509</b>

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

# Talisker Resources Ltd.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(Expressed in Canadian dollars)

	Number of Shares	Issued Capital (Note 16)	Share-based Payment Reserve (Note 19)	Warrant Reserve (Note 18)	Conversion Component of Convertible Debentures (Note 13)	Retained Earnings (Deficit)	Total
<b>Balance as at December 31, 2023</b>	<b>89,148,377</b>	<b>\$ 101,364,157</b>	<b>\$ 695,000</b>	<b>\$ 6,348,200</b>	<b>\$ -</b>	<b>\$ (96,971,679)</b>	<b>\$ 11,435,678</b>
Issue of shares for acquisition of mineral properties (Note 9)	50,000	15,500	-	-	-	-	15,500
Expiry of stock options	-	-	(260,000)	-	-	260,000	-
Net loss for the period	-	-	-	-	-	(8,227,319)	(8,227,319)
<b>Balance as at June 30, 2024</b>	<b>89,198,377</b>	<b>\$ 101,379,657</b>	<b>\$ 435,000</b>	<b>\$ 6,348,200</b>	<b>\$ -</b>	<b>\$ (104,938,998)</b>	<b>\$ 3,223,859</b>
Issue of shares pursuant to private placement, net of issue costs (Note 16)	6,300,500	2,078,775	-	329,000	-	-	2,407,775
Issued pursuant to agreement	263,158	100,000	-	-	-	-	100,000
Exercise of RSU's (Note 16)	2,082,981	829,509	-	-	-	-	829,509
Issue of shares for services (Note 13)	500,000	200,000	-	-	-	-	200,000
Expiry of stock options	-	-	(88,000)	-	-	88,000	-
Conversion component of convertible debentures, net of tax and costs (Note 13)	-	-	-	-	448,308	-	448,308
Net loss for the period	-	-	-	-	-	(6,038,075)	(6,038,075)
<b>Balance as at December 31, 2024</b>	<b>98,345,016</b>	<b>\$ 104,587,941</b>	<b>\$ 347,000</b>	<b>\$ 6,677,200</b>	<b>\$ 448,308</b>	<b>\$ (110,889,073)</b>	<b>\$ 1,171,376</b>
Issue of shares pursuant to private placement, net of issue costs (Note 16)	43,913,000	15,080,316	-	5,113,000	-	-	20,193,316
Issue of shares for acquisition of mineral properties (Note 9)	36,363	12,000	-	-	-	-	12,000
Exercise of RSU's (Note 16)	1,072,665	359,343	-	-	-	-	359,343
Exercise of warrants	370,250	144,850	-	-	-	-	144,850
Transfer of reserve on exercise of warrants	-	31,600	-	(31,600)	-	-	-
Exercise of stock options	140,000	50,400	-	-	-	-	50,400
Transfer of reserve on exercise of stock options	-	36,800	(36,800)	-	-	-	-
Share based payments - options	-	-	574,000	-	-	-	574,000
Expiry of stock options	-	-	(16,650)	-	-	16,650	-
Net loss for the period	-	-	-	-	-	(9,641,684)	(9,641,684)
<b>Balance as at June 30, 2025</b>	<b>143,877,294</b>	<b>\$ 120,303,250</b>	<b>\$ 867,550</b>	<b>\$ 11,758,600</b>	<b>\$ 448,308</b>	<b>\$ (120,514,107)</b>	<b>\$ 12,863,601</b>

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

# Talisker Resources Ltd.

## Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(Expressed in Canadian dollars)

For the six month periods ended June 30,	Notes	2025	2024
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Net loss for the period		\$ (9,641,684)	\$ (8,227,319)
Items not involving cash:			
Income tax recovery	17	-	(318,000)
Change in fair value of derivative in gold linked notes		246,523	-
Loss on revaluation of RSU liability		64,743	-
Share-based expense	19	1,104,491	9,100
Write down of inventory	7	1,309,871	-
Foreign exchange		331,832	-
Unrealized gain on marketable securities	6	(60,000)	-
Accretion on convertible and gold linked loans	12, 13	181,374	-
Interest on gold linked notes	12	180,098	-
Interest on convertible debentures	13	432,165	-
Interest on financing component of deferred revenue	14	1,536,998	-
Accretion on site reclamation and closure	15	279,925	280,415
Depreciation of property, plant and equipment	8	438,645	590,063
Working capital changes			
Change in amounts receivable		86,711	(315,514)
Change in inventory		(2,167,338)	2,402
Change in prepaid expenses		(437,963)	47,462
Change in accounts payable and accrued liabilities		(1,107,480)	738,985
<b>Cash flows used in operating activities</b>		<b>(7,221,089)</b>	<b>(7,192,406)</b>
<b>Investing activities</b>			
Acquisition of exploration and evaluation assets	9	(38,037)	(50,000)
Acquisition of property, plant and equipment	8	(6,324,553)	(95,536)
Purchase of marketable securities	6	(2,104,149)	-
<b>Cash used in investing activities</b>		<b>(8,466,739)</b>	<b>(145,536)</b>
<b>Financing activities</b>			
Issue of shares pursuant to private placement	16	21,956,500	-
Share issue costs	16	(1,763,184)	-
Exercise of options and warrants	16	195,250	-
Interest paid on gold linked notes	12	(180,098)	-
Interest paid on convertible debentures	13	(432,165)	-
Repayment of leases	11	(69,080)	(72,792)
<b>Cash flows provided by (used in) financing activities</b>		<b>19,707,223</b>	<b>(72,792)</b>
<b>Net increase (decrease) in cash and cash equivalents for the period</b>		<b>4,019,395</b>	<b>(7,410,734)</b>
<b>Effect of exchange rate changes on cash</b>		<b>(403,894)</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of the period</b>		<b>14,811,384</b>	<b>8,461,525</b>
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 18,426,885</b>	<b>\$ 1,050,791</b>
<b>Supplementary cash flow information</b>			
Interest received		\$ 65,875	\$ 637
Interest paid		\$ 617,677	\$ -

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

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Talisker Resources Ltd. ("Talisker" or the "Company") is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration, evaluation and development of mineral properties in British Columbia. The Company's shares are traded on the Toronto Stock Exchange (the "TSX") under the symbol TSK. The head office and registered address of the Company is located at 130 Adelaide Street West, Suite 3002, Toronto, Ontario, M5H 3P5.

The condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will 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. As at June 30, 2025, the Company was constructing the Bralorne Gold Project and had not yet advanced to commercial production.

Notwithstanding the royalty agreement (Note 9), convertible debt financing (Note 13) and gold-linked note financing (Note 12), the Company's ability to continue as a going concern is dependent upon attaining profitable operations, and the ability to raise further public equity or other financing to complete the development expenditures required to attain profitable operations at the Bralorne Gold Project. There is no assurance that these activities will be successful in the future. As at June 30, 2025, the Company had cash and cash equivalents of \$18,426,885 and the Company recorded an accumulated deficit of \$120,514,107. For the six-month period ended June 30, 2025, the Company recorded a net loss of \$9,641,684 (2024: \$8,227,319), and net cash used in operating activities of \$7,221,089 (2024: \$7,192,406). The Company has not reached profitable operations, and it still relies on its ability to raise capital. The current cash and cash equivalents balance may not be sufficient to finance continued operations for the 12 months following June 30, 2025; therefore, there is a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company continues to adopt the going concern basis in preparing its condensed interim consolidated financial statements. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance sheet classifications that would be necessary if the going concern assumption was not appropriate and the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments would be material to the condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 13, 2025.

**2. BASIS OF PRESENTATION****Statement of Compliance**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The Company has not yet assessed the impact of IFRS 18 on the Company's financial statements.

**2. BASIS OF PRESENTATION (continued)**

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. The amendments are effective January 1, 2027 and January 1, 2026, respectively, and Company has not yet assessed the impact of these amendments on the Company's financial statements.

No standards have been early adopted in 2024.

**Basis of Measurement**

These condensed interim consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2024 annual financial statements, except as disclosed below:

- **Mineral properties – Construction in process**

All expenditures undertaken in the development, construction, installation and/or completion of mine production facilities to extract, treat, gather, transport and store minerals are capitalized and initially classified as "Construction in process". All expenditures related to the construction of a mine and obtaining access to the orebody are considered to be capital development and are capitalized. Assets in construction in process are not depreciated.

Upon the commencement of commercial production, all related assets included in "Construction in process" are reclassified to "Mineral Property". Determination of commencement of commercial production is a complex process and requires significant judgement. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- i) All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- ii) A reasonable period of testing has been completed;
- iii) The ability to produce saleable product (ie, the ability to produce ore within specifications), at required production levels and grades,
- iv) A predetermined percentage of design capacity of the mine has been reached; and
- v) The ability to sustain ongoing production of ore.

As at June 30, 2025, the Company assessed the factors and determined it is not in commercial production.

**2. BASIS OF PRESENTATION (continued)****• Inventory**

Inventory classifications include stockpiled ore, ore subject to toll milling, and supplies. The value of all production inventories includes direct production costs (including costs of materials and labour), the amounts paid for toll milling provided by a third party (consisting of fixed and variable components), depreciation and amortization of property, plant and equipment directly involved in the mining process, and attributable overhead incurred to bring the materials to their current point in the processing cycle. General and administrative costs for the corporate office are not included in any inventories.

All inventories are valued at the lower of cost and net realizable value, with net realizable value determined with reference to market prices, less estimated future production costs to convert inventories into saleable form. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exists.

- i) Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore is measured by estimating the number of tonnes through physical surveys and contained ounces. Stockpiled ore value is based on the costs incurred, including depreciation and applicable mine-site overheads, in bringing the ore to the stockpile. Costs are added to the stockpiled ore based on current mining costs and are removed at the average costs per tonne of ore in the stockpile.
- ii) Ore subject to toll milling represents material that is currently being processed to extract the contained gold into a saleable concentrate form. The amount of ore subject to toll milling is determined by assay values and by measure of the various gold bearing materials in the recovery process. The ore subject to toll milling is valued at the average of the beginning inventory and the costs of material fed into the processing stream plus in-circuit conversion costs.
- iii) Supplies inventories include equipment parts and other consumables required for mining and are valued at the lower of average cost and net realizable value.

**Principles of Consolidation**

These condensed interim consolidated financial statements for the three and six month periods ended June 30, 2025 and 2024 include the financial position, financial performance and cash flows of the Company and its subsidiary detailed below:

<b>Subsidiary</b>	<b>Country of Incorporation</b>	<b>Economic Interest</b>	<b>Basis of Accounting</b>
Bralorne Gold Mines Ltd.	Canada	100%	Full consolidation
New Carolin Gold Corp.	Canada	100%	Full consolidation

*Subsidiaries* - Subsidiaries are entities over which the Company has control, whereby control is defined as the power to direct activities of an entity that significantly affect the entity's returns so as to obtain benefit from its activities. Control is presumed to exist where the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date at which control ceases.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- ***Impairment of non-financial assets*** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists or when exploration and evaluation assets are reclassified to property, plant and equipment upon reaching technical feasibility and commercial viability, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.
- ***Provision for site reclamation and closure*** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 15. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.
- ***Convertible debentures and Gold Linked Notes*** – The Company's convertible debentures and gold-linked notes represent management's best estimates and judgement in accounting for separate components of financial liability, derivative liability and an equity instrument. The identification of such components embedded within convertible debentures and gold-linked notes requires significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. In the case of convertible debentures, the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual is accounted for as an equity instrument at issuance. In the case of gold linked notes, the embedded derivative is separated on issuance at fair value and is marked to market at each period end with changes in fair value recorded as gain on fair value of derivative. The financial liability, which represents the obligation to pay coupon interest on the gold linked notes in the future, is initially measured at its fair value and subsequently measured at amortized cost. The Company considered various factors to determine fair value, including: market rate of interest and forecast gold price expected over the life of the arrangement that is based on the forward curve for gold.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)****• Determination of Commercial Viability and Technical Feasibility of the Bralorne Gold Project**

The application of the Company's accounting policy for mineral property development costs required judgment to determine when technical feasibility and commercial viability of the Bralorne Gold Project was demonstrable. The Company considered various factors, including:

- the updated NI 43-101 resource estimate published in January 2023 together with the positive drilling engineering studies conducted subsequent to this estimate;
- fully permitted operations for mining and existing infrastructure requiring limited development to access ore;
- the results from the ore hauling agreement with Nicola Mining and the decision to start test production trucking of first ore with an expectation of generating a positive long-term return on the Bralorne Gold Project;
- positive Net Present Value generated from a discounted cash flow model; and
- the availability of funds to pursue the further development of the Bralorne Gold Project with the financing activities completed in the fourth quarter of 2024, including the second tranche of the royalty proceeds under the arrangement with Sprott Resource Steaming and Royalty Corp.

**4. CASH AND CASH EQUIVALENTS**

The balance at June 30, 2025 consists of cash on deposit with major Canadian banks in interest bearing accounts totaling \$13,791,332 (December 31, 2024 - \$8,921,310) and short term guaranteed investment certificates with major Canadian banks of \$4,635,553 (December 31, 2024 - \$5,890,074) for total cash and cash equivalents of \$18,426,885 (December 31, 2024 - \$14,811,384).

During the six month period ended June 30, 2025, the Company recognized interest income of \$65,875 (2024 - \$637).

**5. AMOUNTS RECEIVABLE**

As at,		June 30, 2025		December 31, 2024
HST and other government receivables	\$	534,312	\$	364,353
Other receivables		51,634		308,304
	\$	585,946	\$	672,657

At June 30, 2025, the Company anticipates full recovery of these amounts and therefore no expected credit loss has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at June 30, 2025 and December 31, 2024.

**6. MARKETABLE SECURITIES**

As at June 30, 2025, the Company holds 1,500,000 shares of Westhaven Gold Corp. ("Westhaven") valued at \$210,000 (December 31, 2024 – 1,500,000 shares with value of \$150,000). The Company received the shares, with value on receipt of \$225,000, as part of the property option agreement as described in note 9.

The Company also holds guaranteed investment certificates with maturities greater than three months of \$4,111,711 (December 31, 2024 - \$2,007,562) for total marketable securities of \$4,321,711 (December 31, 2024 - \$2,157,562).

During the year six month period ended June 30, 2025, the Company recognized an unrealized gain of \$60,000 (2024 - \$nil) as the market value of the shares increased.

**7. INVENTORY**

Inventory consists of stockpiled ore and supplies required during the course of exploration, development and production from operations. The following is a breakdown of items in inventory:

<b>As at,</b>		<b>June 30, 2025</b>		<b>December 31, 2024</b>
Stockpiled ore	\$	<b>1,446,347</b>	\$	-
Supplies		<b>615,253</b>		158,654
	\$	<b>2,061,600</b>	\$	158,654

During the six month period ended June 30, 2025, the Company recorded a write down in the amount of \$1,309,861 to reduce the carrying value of inventories to net realizable value.

## Talisker Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six month periods ended June 30, 2025 and 2024

(Expressed in Canadian dollars)



#### 8. PROPERTY, PLANT AND EQUIPMENT

	Construction in Process (1) \$	Machinery and Equipment \$	Buildings \$	Land \$	Water Treatment Facility \$	Vehicles \$	Right-of-Use Asset \$	Total \$
Balance at December 31, 2023	-	1,443,806	6,161,212	315,000	941,321	172,391	1,801,389	10,835,119
Reclassification from E&E asset	1,469,234	-	-	-	-	-	-	1,469,234
Additions	581,377	47,535	50,000	-	-	-	101,073	779,985
Change in estimate of ARO	(932,515)	-	-	-	-	-	-	(932,515)
Disposals	-	-	(1,782)	-	-	-	-	(1,782)
Balance at December 31, 2024	1,118,096	1,491,341	6,209,430	315,000	941,321	172,391	1,902,462	12,150,041
Additions	7,634,154	210,531	-	-	-	-	226,464	8,071,149
Balance at June 30, 2025	8,752,250	1,701,872	6,209,430	315,000	941,321	172,391	2,128,926	20,221,190

#### ACCUMULATED DEPRECIATION

Balance at December 31, 2023	-	1,061,804	1,018,770	-	272,904	89,627	1,276,419	3,719,524
Additions	-	221,545	572,632	-	61,984	21,412	235,989	1,113,562
Disposals	-	-	-	-	-	-	-	-
Balance at December 31, 2024	-	1,283,349	1,591,402	-	334,888	111,039	1,512,408	4,833,086
Additions	-	64,261	267,692	-	30,576	2,846	90,839	456,214
Balance at June 30, 2025	-	1,347,610	1,859,094	-	365,464	113,885	1,603,247	5,289,300

#### NET BOOK VALUE

At December 31, 2024	1,118,096	207,992	4,618,028	315,000	606,433	61,352	390,054	7,316,955
At June 30, 2025	8,752,250	354,262	4,350,336	315,000	575,857	58,506	525,679	14,931,890

(1) Construction in process relates to the Company's Bralorne mine and primarily includes acquisition costs, expenditures related to development, costs incurred to secure the second tranche of the royalty funding, and discounted future reclamation costs (Note 15). No depreciation or depletion has been recorded for the construction in progress assets as they are not ready for use as intended by management.

## 9. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets for the Company are summarized as follows:

### Six month period ended June 30, 2025:

Project	January 1, 2025	Additions	Disposals	June 30, 2025
<b>Bralorne Gold Camp</b>				
Royalle Property	\$ 243,000	\$ -	\$ -	<b>243,000</b>
NaiKun Wind Crown Grant	36,000	-	-	<b>36,000</b>
Congress Property	295,000	-	-	<b>295,000</b>
Big Sheep Property	120,000	-	-	<b>120,000</b>
<b>Southern BC Properties</b>	-			
Spences Bridge	5,456,823	-	-	<b>5,456,823</b>
Golden Hornet Property	133,250	50,037	-	<b>183,287</b>
<b>Ladner Gold Project</b>	<b>11,707,350</b>	<b>-</b>	<b>-</b>	<b>11,707,350</b>
	<b>\$ 17,991,423</b>	<b>\$ 50,037</b>	<b>\$ -</b>	<b>18,041,460</b>

On January 30, 2025, the Company acquired the Golden Hornet project after the completion of its previously announced option agreement. In connection with the acquisition of Golden Hornet, Talisker also negotiated the purchase of the 2 per cent net smelter royalty granted to Rich River Exploration Ltd. in connection with the option agreement for total aggregate consideration of \$100,000, with 1 per cent being purchased for cancellation by Talisker in consideration for the payment of \$38,000 in cash and \$12,000 through the issuance of 36,363 shares of Talisker at a price of 33 cents per share and the other 1 per cent being purchased by Osisko Gold Royalties Ltd. (Osisko) pursuant to a first right of refusal granted under the royalty purchase agreement (RPA) entered into between, among others, the Company and Osisko, in December, 2021. In accordance with the terms of the RPA and the completion of the option agreement, Talisker and Osisko have entered into a royalty agreement whereby Osisko will now hold a 2 per cent net smelter return royalty on all production from the Golden Hornet, Blue Jay and Barnato properties.

On June 12, 2023 the Company entered into a royalty agreement with Sprott Resource Streaming and Royalty Corp. ("Sprott") in relation to the Company's Bralorne Gold Project whereby Sprott will pay the Company up to US\$31,250,000 for a net smelter returns royalty (the "Royalty") covering all minerals produced from the Project (the "Royalty Transaction"). The Royalty Transaction includes:

- A maximum of US\$31,250,000, with a minimum consideration of US\$18,750,000, payable as to:
  - an initial grant of a 1.12% Royalty for a draw of US\$7,000,000 (received) for drilling, detailed engineering and working capital;
  - a further 1.88% Royalty for a subsequent draw of US\$11,750,000 (received) on, among other things, the signing of a toll milling agreement for mobilization, site infrastructure, resource conversion drilling and working capital; and
  - up to a further 2% Royalty, to a maximum of a 5% Royalty, for US\$12,500,000 available as needed for site infrastructure, mine start-up capital and working capital;

## 9. EXPLORATION AND EVALUATION ASSETS (continued)

- An option, exercisable solely at the discretion of the Company until December 31, 2028, to repurchase 50% of the Royalty (as more particularly described below);
- The residual Royalty will be reduced by an additional 50% for no additional consideration following 1.5 million ounces of gold production;

### *Buyback*

The Company will have a right, to be satisfied in cash or in shares (subject to a 4.9% ownership limit, calculated at the time of the buyback), at the Company's sole discretion (and subject to prior approval of the Toronto Stock Exchange (the "TSX")), to repurchase a 50% interest of the Royalty for a price that is equal to half of the then-paid Purchase Price multiplied by the multiplier, as follows:

On of before	Multiplier	Based on Minimum 3% Royalty	Based on Maximum 5% Royalty
June 30, 2025	1.20	US\$11,250,000	US\$18,750,000
June 30, 2026	1.25	US\$11,718,750	US\$19,531,250
June 30, 2027	1.30	US\$12,187,500	US\$20,312,500
June 30, 2028	1.35	US\$12,656,250	US\$21,093,750
June 30, 2029	1.40	US\$13,125,000	US\$21,875,000

### *Production Target and Purchase Price Repayment*

There is an amount payable under the Royalty agreement by the Company if aggregate sales of contained gold in product is not equal to or greater than 38,000 ounces for the period commencing on January 1, 2028 and ending on June 30, 2028 (inclusive). The Purchase price repayment is calculated as follows:

$APP \times (T-P)/T \times (1+r)^Q$ , where:

APP = Aggregate Purchase Price or dollar amount received under the facility.

T = the Target Amount;

P = the aggregate Sales of contained gold in Product during the Sales Testing Period;

r = the Quarterly interest rate of 2.5%; and

Q = the number of Quarter ends that have occurred from the First Closing Date up to (15), and including the last day of the Quarter in which the Sales Testing Period expires.

### *Participation Right*

The Company has granted a five year pre-emptive right (subject to rights previously granted to Osisko Gold Royalties Ltd.) to participate up to a maximum of 40%, or US\$40,000,000, in any proposed grant, sale or issuance to any third party of a stream, royalty or similar transaction based on future production from the Project.

On October 9, 2024, the Company completed the second draw of US\$11,750,000 and received proceeds in the amount of \$15,483,327, being \$16,085,750 (US\$11,750,000) less transaction costs of \$602,423. The amount has been recorded as deferred revenue, see Note 14 for details.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at,		June 30, 2025		December 31, 2024
Accounts payable	\$	3,322,548	\$	2,153,007
Accrued liabilities		1,603,674		1,280,411
	\$	4,926,222	\$	3,433,418

**11. LEASES PAYABLE**

The Company has entered into equipment leases expiring between 2025 and 2029, with interest rates ranging from 2.99% to 9.49% per annum. The Company has the option to purchase the equipment at the end of the lease term for a nominal amount. The Company's obligations under leases are secured by the lessor's title to the leased assets.

The contractual maturities and interest charges in respect of the Company's lease obligations are as follows:

		June 30, 2025		December 31, 2024
Not later than one year	\$	283,378	\$	250,644
Later than one year and not later than five years		162,499		27,000
Less: Future interest charges		(26,996)		(16,147)
Present value of lease payments		418,881		261,497
Less: current portion		(266,255)		(234,941)
Non-current portion	\$	152,626	\$	26,556

Reconciliation of debt arising from lease liabilities:

		June 30, 2025		December 31, 2024
Lease liability at beginning of year	\$	261,497	\$	288,281
Additions		226,464		101,073
Principal payments on lease liabilities		(69,080)		(127,857)
	\$	418,881	\$	261,497

**12. GOLD LINKED NOTES**

On October 17, 2024, the Company issued notes in the aggregate principal amount of \$1,332,000. The notes bear interest at a rate of 15% per annum and mature on December 31, 2027.

The principal amount of the notes was used to calculate the quantity of gold (the "Gold Quantity") to be represented by the notes, being the deemed number of ounces of gold using a price (the "Floor Price") of US\$2,500. The Gold Quantity on the date of issuance amounted to 386 ounces. The Gold Quantity will be reduced on each of December 31, 2025, December 31, 2026 and December 31, 2027, by that number of ounces that represents 15% (58 ounces), 25% (97 ounces) and 60% (231 ounces), respectively, of the Gold Quantity on the closing of the Gold-Linked Note Financing, by the payment of the Deemed value of such Gold Quantity. The "Deemed Value" means the applicable Gold Quantity multiplied by the Gold Price (the "Gold Price" being the greater of: (a) the Floor Price; and (b) the "London Gold Fix" price per ounce (in U.S. dollars) as of the 15th day of the month of such payment date).

There is no requirement or option to deliver physical gold as a form of repayment under the terms of the Gold Linked Notes.

**12. GOLD LINKED NOTES (continued)**

Interest shall be calculated and payable quarterly in arrears, with the interest payable being calculated based on the Deemed Value of the Gold Quantity on the applicable interest payment date.

For the six month period ended June 30, 2025, the Company has recorded an interest charge of \$136,548 (2024 - \$nil) related to the host loan and a loss of \$246,523 (2024 - \$nil) for the change in fair value of the embedded derivative.

As at June 30, 2025 and December 31, 2024, the Gold Linked Note is presented as follows:

	<b>June 30, 2025</b>	December 31, 2024
<b>Principal</b>		
Beginning balance	\$ 1,134,192	\$ -
Issuance of Gold Linked Notes	-	1,332,000
Less: embedded derivative	-	(242,512)
Less: transaction costs	-	(80,690)
	1,134,192	1,008,798
Interest expense	136,548	43,550
Accretion	59,999	23,885
Foreign exchange	(72,062)	57,959
Payment of interest	(180,098)	-
Ending balance	\$ 1,078,579	\$ 1,134,192
<b>Embedded Derivative</b>		
Beginning balance	\$ 298,378	\$ -
Issuance of Gold Linked Notes	-	242,512
Loss on revaluation of derivative	246,523	55,866
Ending balance	\$ 544,901	\$ 298,378
<b>Total</b>		
Principal	\$ 1,078,579	\$ 1,134,192
Embedded derivative	544,901	298,378
Gold Linked Note Liability	1,623,480	1,432,570
Current portion of Gold Linked Note Liability	(243,521)	(217,753)
Long term portion of Gold Linked Note Liability	1,379,959	\$ 1,214,817

### 13. CONVERTIBLE DEBENTURES

On October 9, 2024, the Company issued a convertible debenture; an unsecured obligation of the Company in the principal amount of \$4,000,000. The convertible debenture bears interest at a rate of 12% per annum, calculated and payable quarterly in arrears, and has a term of three years. The holder of the convertible debenture may convert the principal amount to common shares of Talisker at a conversion price of \$0.50 up until the trading day prior to the maturity date of the convertible debenture. Talisker has the option to convert all or any portion of the convertible debenture into shares if the closing price of the Shares on the TSX is at least 130% of the Conversion Price for each of the 20 trading days before a notice of conversion is delivered. If shares are issued pursuant to the Company's conversion right and the holder wishes to sell any Shares, Talisker also has the right to identify a purchaser for such shares.

On November 7, 2024, the Company issued a convertible debenture; an unsecured obligation of the Company in the principal amount of \$1,100,000. The convertible debenture bears interest at a rate of 12% per annum, calculated and payable quarterly in arrears, and has a term of three years. The holder of the convertible debenture may convert the principal amount to common shares of Talisker at a conversion price of \$0.56 up until the trading day prior to the maturity date of the convertible debenture. Talisker has the option to convert all or any portion of the convertible debenture into shares if the closing price of the Shares on the TSX is at least 130% of the Conversion Price for each of the 20 trading days before a notice of conversion is delivered. If shares are issued pursuant to the Company's conversion right and the holder wishes to sell any Shares, Talisker also has the right to identify a purchaser for such shares.

As at June 30, 2025 and December 31, 2024, the Convertible Debentures are presented as follows:

		<b>Liability Component</b>	<b>Equity Component</b>
Balance, January 1, 2024	\$	-	\$ -
Issuance of Convertible Debentures		4,434,672	665,328
Less: transaction costs		(246,754)	(37,020)
Less: deferred tax		-	(180,000)
		4,187,918	448,308
Interest expense		128,680	-
Accretion		48,219	-
Balance, December 31, 2024	\$	4,364,817	\$ 448,308
Interest expense		303,485	-
Accretion		121,375	-
Payment of interest		(432,165)	-
Balance, June 30, 2025	\$	4,357,512	\$ 448,308

#### 14. DEFERRED REVENUE

On October 9, 2024, the Company issued a 1.88% NSR royalty under the second tranche of the royalty agreement with Sprott Resource Streaming and Royalty Corp. and received proceeds in the amount of \$16,085,750 (US\$11,750,000), less transaction costs of \$424,675.

The upfront cash payment received under the agreement is accounted for as deferred revenue with a significant financing component, with the related accretion expense being expensed to the statement of loss and comprehensive loss. The deferred revenue associated with the royalty agreement is being accreted to reflect the significant financing component at a rate of 18.5%, being the interest rate that it would use if it were to enter into a separate financing transaction with the customer at contract inception. As the Company produces and sells gold to third party customers, the balance will be reduced and recognized as revenue in the statement of loss and comprehensive loss.

The changes in the carrying value of deferred revenue are as follows:

	<b>June 30, 2025</b>	December 31, 2024
Balance, beginning of year	\$ 16,355,186	\$ -
Issuance of royalty	-	16,085,750
Less: transaction costs	-	(424,675)
Interest on financing component of deferred revenue	1,536,998	694,111
Balance, end of year	\$ 17,892,184	\$ 16,355,186
Less: current portion	(357,664)	(130,776)
Non-current portion	\$ 17,534,520	\$ 16,224,410

#### 15. PROVISION FOR SITE RECLAMATION AND CLOSURE

Provincial laws and regulations concerning environmental protection affect the Company's operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The breakdown of the provision for site reclamation and closure is as per below:

	<b>June 30, 2025</b>			<b>December 31, 2024</b>		
	<b>Bralorne</b>	<b>New Carolin</b>	<b>Total</b>	<b>Bralorne</b>	<b>New Carolin</b>	<b>Total</b>
Balance, beginning of period/year	10,827,580	7,381,700	18,209,280	11,414,435	7,207,096	18,621,531
Change in estimate	-	-	-	(932,515)	(43,647)	(976,162)
Accretion	178,798	101,127	279,925	345,660	218,251	563,911
Balance, end of period/year	11,006,378	7,482,827	18,489,205	10,827,580	7,381,700	18,209,280

The present value of the obligation for Bralorne of \$11,006,378 (December 31, 2024 – \$10,827,580) is based on an undiscounted obligation of \$54,959,711, out of which \$11,770,751 is expected to be incurred in 2044 with the remaining \$44,188,960 to be incurred on water treatment and quality monitoring throughout 2144. The provision was calculated using a weighted average risk-free interest rate of 3.33% (December 31, 2024 – 3.33%) and a weighted average inflation rate of 1.82% (December 31, 2024 – 1.82%). Reclamation activities are estimated to begin in 2044 and are expected to be incurred over a period of 100 years.

**15. PROVISION FOR SITE RECLAMATION AND CLOSURE (continued)**

The present value of the obligation for Ladner Lake of \$7,482,827 (December 31, 2024 – \$7,381,700) is based on an undiscounted obligation of \$14,540,227. The provision was calculated using a weighted average risk-free interest rate of 3.33% (December 31, 2024 – 3.33%) and a weighted average inflation rate of 1.82% (December 31, 2024 – 1.82%). Reclamation activities are estimated to begin in 2026 and are expected to be incurred over a period of 100 years

**Reclamation Deposits**

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

	June 30, 2025				December 31, 2024			
	Talisker	Bralorne	New Carolin	Total	Talisker	Bralorne	New Carolin	Total
Balance, beginning of period/year	58,300	1,190,000	220,000	1,468,300	58,300	1,190,000	220,000	1,468,300
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance, end of period/year	58,300	1,190,000	220,000	1,468,300	58,300	1,190,000	220,000	1,468,300

Under regulations set by the Ministry of Energy, Mines and Petroleum Resources (“MEM”), the Company is required to hold reclamation bonds that cover the estimated future cost to reclaim the ground disturbed. Bralorne is required to pay \$250,000 every six months until a cumulative security equal to \$12,300,000. At June 30, 2025, the surety amounted to \$4,400,000 and the Company has placed \$1,190,000 in cash (December 31, 2024 - \$1,190,000), totalling \$5,590,000 to cover estimated future costs related to the ground disturbance at the Company’s Bralorne Gold Project. As at June 30, 2025 and December 31, 2024, the Company is current with all its obligations with the MEM.

## 16. ISSUED CAPITAL

**Authorized** Unlimited common shares without par value

	June 30, 2025	December 31, 2024
Issued capital	\$ 120,303,250	\$ 104,587,941
Fully paid common shares <sup>(1)</sup>	143,877,294	98,345,016

(1) As at June 30, 2025 and December 31, 2024, there are 50,000 shares awaiting issuance, the proceeds for which were received in 2008 and are included in share capital.

### Common Shares Issued

	Number of Shares	Value of Shares
Balance as at December 31, 2023	89,148,377	\$ 101,364,157
Issue of shares pursuant to private placement, net of issue costs	6,300,500	2,078,775
Issue of shares for acquisition of mineral properties (Note 9)	50,000	15,500
Issued pursuant to agreement	263,158	100,000
Exercise of RSU's	2,082,981	829,509
Issuance of shares for services (Note 13)	500,000	200,000
Balance as at December 31, 2024	98,345,016	\$ 104,587,941
Issue of shares pursuant to private placement, net of issue costs	43,913,000	15,080,316
Issue of shares for acquisition of mineral properties (Note 9)	36,363	12,000
Exercise of RSU's	1,072,665	359,343
Exercise of warrants	370,250	144,850
Transfer of reserve on exercise of warrants	-	31,600
Exercise of stock options	140,000	50,400
Transfer of reserve on exercise of stock options	-	36,800
Balance as at June 30, 2025	143,877,294	\$ 120,303,250

### Financings

On May 5, 2025, the Company closed a private placement of 16,000,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$8,000,000.

Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder thereof to acquire one Common share at an exercise price of \$0.75 until May 5, 2028. The warrants were ascribed a fair value of \$1,715,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.58%; volatility 80% and an expected life of 36 months.

The Company also issued 841,200 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.60 cents until May 5, 2028. The finder warrants were ascribed a fair value of \$203,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.58%; volatility 80% and an expected life of 36 months.

## 16. ISSUED CAPITAL (continued)

On June 6, 2025, the Company closed a private placement of 27,913,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$13,956,500.

Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder thereof to acquire one Common share at an exercise price of \$0.75 until May 5, 2028. The warrants were ascribed a fair value of \$2,850,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.72%; volatility 81% and an expected life of 36 months.

The Company also issued 1,347,540 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.50 cents until June 6, 2028. The finder warrants were ascribed a fair value of \$345,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.72%; volatility 81% and an expected life of 36 months.

In consideration for their services, the Company has paid the agents a cash commission and incurred other closing costs totalling \$1,763,184.

### Diluted Weighted Average Number of Shares Outstanding

	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Basic weighted average shares outstanding:	<b>117,633,250</b>	89,198,377	<b>108,509,896</b>	89,191,509
Effect of outstanding securities	-	-	-	-
Diluted weighted average shares outstanding	<b>117,633,250</b>	89,198,377	<b>108,509,896</b>	89,191,509

During the three and six month periods ended June 30, 2025 and 2024, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share.

## 17. FLOW-THROUGH PREMIUM LIABILITY

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company's common shares and compared it to the issuance price of the flow-through shares to determine if there was a premium paid on the flow-through shares.

During the six month period ended June 30, 2024, the Company recognized an amount of \$318,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency.

**18. WARRANTS RESERVE**

The following is a summary of changes in warrants:

	Number of Warrants	Weighted average exercise price per warrant	Amount
Balance, December 31, 2023	11,504,733	\$ 0.84	\$ 6,348,200
Issuance of warrants	3,150,250	0.60	323,000
Issuance of finders warrants	45,330	0.46	6,000
Balance, December 31, 2024	14,700,313	\$ 0.79	\$ 6,677,200
Issuance of warrants	21,956,500	0.75	4,565,000
Issuance of finders warrants	2,188,740	0.54	548,000
Expiry of warrants	(5,679,600)	1.20	-
Exercise of warrants	(370,250)	0.39	(31,600)
Balance, June 30, 2025	32,795,703	\$ 0.68	\$ 11,758,600

As at June 30, 2025, the Company had outstanding warrants as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
September 11, 2026	\$0.60	430,000
August 12, 2026	\$0.60	2,712,750
August 12, 2026 – finders warrants	\$0.46	45,330
November 6, 2025	\$0.50	5,366,025
November 6, 2025 – finders warrants	\$0.33	96,358
May 5, 2028	\$0.75	8,000,000
May 5, 2028 – finders warrants	\$0.60	841,200
June 6, 2028	\$0.75	13,956,500
June 6, 2028 – finders warrants	\$0.50	1,347,540
<b>Balance, June 30, 2025</b>		<b>32,795,703</b>

## 19. SHARE-BASED PAYMENT RESERVE

### Stock Option Plan

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were outstanding as at June 30, 2025:

Number of options outstanding	Number of exercisable options	Grant date	Expiry date	Exercise price	Fair value vested
1,110,000	1,110,000	December 18, 2023	December 18, 2028	\$ 0.360	319,100
2,510,000	2,510,000	January 16, 2025	January 16, 2030	\$ 0.360	548,450
3,620,000	3,620,000				867,550

The share options outstanding as at June 30, 2025 had a weighted exercise price of \$0.36 (December 31, 2024: \$0.36) and a weighted average remaining contractual life of 4.21 years (December 31, 2024: 3.97 years).

Options vested on their date of issue, and expire within five years of their issue, or 90 days after the resignation of the director, officer, employee or consultant.

#### *Fair value of share options granted in the six month period ended June 30, 2025*

On January 16, 2025, 2,585,000 share options were granted to directors, officers, consultants and employees of the Company to acquire the Company's shares at an exercise price of \$0.36 until January 16, 2030. These share options had an estimated fair value of \$574,000 at grant date, and vest immediately.

**19. SHARE-BASED PAYMENT RESERVE (continued)**

The fair value of share options granted in the six month period ended June 30, 2025 was calculated using the following assumptions:

	<b>Number of Options Granted</b>	
	16-Jan-25	
		2,585,000
Grant date share price	\$	0.355
Exercise price	\$	0.360
Expected volatility		75%
Expected option life		5 years
Expected dividend yield		0%
Risk-free interest rate		3.05%

**Movements in Share Options During the Period**

The following reconciles the share options outstanding for the six month period ended June 30, 2025 and year ended December 31, 2024:

	Number of options	Weighted average exercise price
Balance as at December 31, 2023	1,728,000	\$ 0.58
Expired	(478,000)	\$ 1.16
Balance as at December 31, 2024	1,250,000	\$ 0.36
Granted	2,585,000	\$ 0.36
Expired	(75,000)	\$ 0.36
Exercised	(140,000)	\$ 0.36
Balance as at June 30, 2025	3,620,000	\$ 0.36

**Restricted Share Units**

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (each, an “RSU”) convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common Share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals.

Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

**19. SHARE-BASED PAYMENT RESERVE (continued)**

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

The following table summarizes changes in the number of RSUs outstanding:

	<b>Number of RSU's</b>
Balance, December 31, 2023	43,335
Granted	2,177,453
Exercised	(2,220,788)
Balance, December 31, 2024	-
Granted	3,350,000
Exercised	(1,116,665)
Balance, June 30, 2025	2,233,335

**RSU liability:**

As at June 30, 2025 a liability of \$355,879 (December 31, 2024 - \$nil) has been recorded for RSUs.

**Share-based payment reserve:**

The following table summarizes information about share-based payment reserve:

Balance as at December 31, 2023	\$	695,000
Expiry/cancellation of stock options		(348,000)
Balance as at December 31, 2024	\$	347,000
Share-based expense - options		574,000
Transfer of reserve on exercise of options		(36,800)
Expiry/cancellation of stock options		(16,650)
Balance as at June 30, 2025	\$	867,550

## 20. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at June 30, 2025 and December 31, 2024 were as follows:

	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total
<b>As at June 30, 2025</b>				
Cash and cash equivalents	\$ -	\$ 18,426,885	\$ -	\$ 18,426,885
Marketable securities	210,000	4,111,711	-	4,321,711
Amounts receivable	-	51,634	-	51,634
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	4,926,222	4,926,222
RSU liability	355,879	-	-	359,879
Leases payable	-	418,881	-	418,881
Convertible debentures	-	4,357,512	-	4,357,512
Gold linked notes	-	1,078,579	-	1,078,579
Gold linked notes – embedded derivative	544,901	-	-	544,901
<b>As at December 31, 2024</b>				
Cash and cash equivalents	\$ -	\$ 14,811,384	\$ -	\$ 14,811,384
Marketable securities	150,000	2,007,562	-	2,157,562
Amounts receivable	-	272,937	-	272,937
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	3,433,418	3,433,418
Leases payable	-	261,497	-	261,497
Convertible debentures	-	4,364,817	-	4,364,817
Gold linked notes	-	1,134,192	-	1,134,192
Gold linked notes – embedded derivative	298,378	-	-	298,378

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are 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 assets and liabilities, either directly or indirectly;
- Level 3 – Inputs for assets or liabilities that are not based on observable market data

The carrying value of cash and cash equivalents, guaranteed investment certificates, amounts receivable, reclamation deposits, accounts payable and accrued liabilities, and leases payables approximate fair value because of the relatively short term nature of the instruments. The convertible debentures and the principal amount of the gold linked notes were issued in October 2024, as such, given limited time has elapsed, carrying value approximates fair value. The carrying value of common shares recorded as marketable securities reflects a level 1 fair value measurement. The carrying value of the derivative in gold linked notes reflects a level 2 fair value measurement.

**21. RELATED PARTY DISCLOSURES**

The following is a summary of the Company's related party transactions during the six month periods ended June 30, 2025 and 2024:

The Company charged rent in the amount of \$40,500 for the six month period ended June 30, 2025 (2024 - \$40,500) paid by JHI Associates Inc., a company with certain common officers.

**Compensation of Key Management Personnel of the Company**

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the six month periods ended June 30, 2025 and 2024 were as follows:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Short term employee benefits, director fees	<b>\$ 835,015</b>	<b>\$ 1,031,980</b>
Share based payments	<b>932,647</b>	<b>9,100</b>
	<b>\$ 1,767,662</b>	<b>\$ 1,041,080</b>

As at June 30, 2025, an amount of \$145,645 (December 31, 2024 - \$626,390) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment. A member of key management personnel participated in the gold linked note financing during 2024 and the carrying amount of the liability to this member of key management personnel under the gold linked notes at June 30, 2025 is \$168,172 (December 31, 2024 - \$178,814).

**22. COMMITMENTS AND CONTINGENCIES**

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.