FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
First Nordic Metals Corp. (formerly Barsele Minerals Corp.)

Opinion

We have audited the accompanying consolidated financial statements of First Nordic Metals Corp. (formerly Barsele Minerals Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $15,441,163 as of December 31, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending a confirmation request to an optionor to ensure good standing of agreements.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Accounting for the Acquisition of Gold Line Resources Ltd. ("Gold Line")

As described in Note 4 to the consolidated financial statements, during the year ended December 31, 2024, the Company acquired 100% of Gold Line (the "Transaction") for consideration totalling $4,754,444. As more fully described in Note 2, judgement is required by the Company to assess whether the Transaction constituted a business combination or an asset acquisition.

We identified the accounting for the Transaction as a key audit matter in respect of whether the set of assets acquired, and liabilities assumed constituted a business. This matter represented an area of significant risk of material misstatement given the high degree of estimation uncertainty. A high degree of auditor judgment, subjectivity, and effort were required in performing procedures to evaluate management's significant judgements in assessing the accounting for the Transaction and the fair value of the assets acquired.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the key controls associated with management's evaluation of the Transaction.
- Evaluating management's assessment of whether the Transaction constituted an asset acquisition or business combination.
- Examining and evaluating the contractual terms identified in underlying agreements in connection with the Transaction for consistency with the amounts recorded in the consolidated financial statements.
- Reviewing and assessing fair value of the assets acquired and liabilities assumed on acquisition.
- Assessing the adequacy of the disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 28, 2025

FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at

		December 31, 2024		December 31, 2023
ASSETS				
Current				
Cash	$	9,568,671	$	128,236
Restricted cash		-		267,500
Deferred financing cost		213,742		-
Receivables		304,664		72,817
Prepaid expenses		1,013,880		34,544
		11,100,957		503,097
Equity investment - exploration and evaluation assets (Note 5)		1		1
Exploration and evaluation assets (Note 4,6)		15,441,163		-
	$	26,542,121	$	503,098
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 10)	$	3,342,671	$	190,687
Subscriptions received in advance		-		267,500
		3,342,671		458,187
Shareholders' equity				
Share capital (Note 7)		43,044,348		11,674,926
Reserves (Note 7)		9,468,862		6,819,430
Deficit		(29,313,760)		(18,449,445)
		23,199,450		44,911
	$	26,542,121	$	503,098

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized by the board on April 28, 2025

/s/ Toby Pierce	Director	*/s/ Taj Singh*	Director
Toby Pierce		Taj Singh	

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

FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Year ended December 31, 2024		Year ended December 31, 2023
OPERATING EXPENSES				
Consulting and support services		1,366,570		12,000
Foreign exchange loss (gain)		(31,288)		2,377
Exploration expenditures (Note 5,10)		2,094,689		281,005
Interest income		(1,534)		(738)
Investor relations (Note 10)		1,300,993		263,204
Management fees (Note 10)		819,533		462,000
Office and administrative (Note 10)		697,481		260,555
Professional fees		405,286		194,068
Royalty expense (Note 6)		448,432		-
Share-based payments (Note 7, 10)		2,747,251		293,824
Transfer agent and filing fees		172,685		59,231
		10,020,098		1,827,526
Write-down of exploration and evaluation asset		844,217		-
Loss and comprehensive loss for the year	$	(10,864,315)	$	(1,827,526)
Basic and diluted loss per common share	$	(0.05)	$	(0.01)
Weighted average number of common shares outstanding – basic and diluted		199,750,266		137,699,884

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

FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common Shares		Share Capital		Reserves		Deficit		Total Shareholders' Equity
Balance, December 31, 2022	137,295,660	$	11,286,576	$	6,533,113	$	(16,621,919)	$	1,197,770
Issuance of common shares	2,000,667		300,100		-		-		300,100
Share issuance costs	-		(19,881)		-		-		(19,881)
Stock options exercised	287,500		108,131		(7,507)		-		100,624
Share-based payments	-		-		293,824		-		293,824
Loss and comprehensive loss	-		-		-		(1,827,526)		(1,827,526)
Balance, December 31, 2023	139,583,827		11,674,926		6,819,430		(18,449,445)		44,911
Shares issued for:									
Acquisition	35,747,716		4,289,726		-		-		4,289,726
Private placement	42,931,999		12,189,984		522,744		-		12,712,728
Mineral property	27,954,872		10,063,754		-		-		10,063,754
Share issuance costs	-		(1,003,141)		18,625		-		(984,516)
Compensation options	-		(296,410)		296,410		-		-
Acquisition - options	-		-		126,020		-		126,020
Acquisition - warrants	-		-		237,655		-		237,655
Stock options exercised	8,571,230		3,472,917		(1,432,597)		-		2,040,320
Warrants exercised	9,257,555		2,785,916		-		-		2,785,916
Warrant modification	-		(133,324)		133,324		-		-
Share-based payments	-		-		2,747,251		-		2,747,251
Loss and comprehensive loss	-		-		-		(10,864,315)		(10,864,315)
Balance, December 31, 2024	264,047,199	$	43,044,348	$	9,468,862	$	(29,313,760)	$	23,199,450

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

FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (10,864,315)	$ (1,827,526)
Items not affecting cash:		
Share-based payments	2,747,251	293,824
Write-down of exploration and evaluation asset	844,217	-
Changes in non-cash working capital items:		
Receivables	(196,444)	(1,316)
Prepaid expenses	(910,489)	(29,127)
Accounts payable and accrued liabilities	1,566,426	54,753
Cash used in operating activities	(6,813,354)	(1,509,392)
CASH FLOWS FROM INVESTING ACTIVITY		
Cash acquired on acquisition of Gold Line Resources Ltd.	14,126	-
Transaction costs for Gold Line Resources Ltd.	(101,043)	-
	(86,917)	-
CASH FLOWS FROM FINANCING ACTIVITY		
Private placements	12,712,728	300,100
Share issuance costs	(984,516)	(16,444)
Deferred financing costs	(213,742)	-
Proceeds from options exercised	2,040,320	100,624
Proceeds from warrants exercised	2,785,916	-
Cash provided by financing activities	16,340,706	384,280
Change in cash during the year	9,440,435	(1,125,112)
Cash, beginning of year	128,236	1,253,348
Cash, end of year	$ 9,568,671	$ 128,236

Supplemental disclosure with respect to cash flows (Note 9)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

First Nordic Metals Corp. (formerly Barsele Minerals Corp.) (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on February 20, 2013. The Company's principal business activities include the acquisition and exploration of mineral properties in Sweden and Finland. On March 18, 2024, subsequent to the closing of the transaction with Gold Line Resources Ltd. (Note 4), the Company changed its name to First Nordic Metals Corp. The Company's shares trade on the TSX Venture Exchange under the trading symbol FNM. On March 21, 2025, the Company's SDR's commenced trading on Nasdaq First North under the symbol FNMC SDB with the ISIN SE0023847785.

The head office of the Company is located at Suite 300 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada, V6C 2X8.

On February 23, 2024, the Company closed the transaction to acquire 100% of the shares of Gold Line Resources Ltd. ("Gold Line"), a Canadian exploration company listed on the TSX-V and OTC Exchange, for total consideration of $4,754,444 (Note 4).

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has no source of operating cash flow. While the Company has been successful in obtaining certain funding from 2022 to 2024, there is no assurance that such future financing will be available or be available on favourable terms. The Company had incurred a loss of $10,864,315 for the year ended December 31, 2024, and accumulated losses of $29,313,760 as of December 31, 2024. The Company closed a private placement offering for aggregate gross proceeds of $11,500,368 in November 2024. The offering consisted of the issuance of 34,849,600 units of the Company at a price of $0.33 per unit. The Company anticipates that it has sufficient capital to meet its current obligations for the next twelve months.

2. BASIS OF PREPARATION

a) *Statement of compliance*

These consolidated financial statements have been prepared in accordance with accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

b) *Basis of measurement*

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd…)

c) *Basis of consolidation*

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, being Gold Line Resources Ltd. (British Columbia, Canada), Gold Line Resources Holdings Ltd. (British Columbia, Canada), Gold Line Resources Sweden AB (Sweden), GLR Finland Oy (Finland), Solvik Gold OB (Sweden), Nordic Route Explorations Ltd. (British Columbia, Canada), and Nordic Route Explorations AB (Sweden).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Critical accounting estimates

The preparation of these consolidated financial statements in accordance 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 financial statements and the reported expenses during the period. Actual results could differ from these estimates.
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The inputs used in calculating the fair value for share-based payments included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes option pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and an estimated forfeiture rate.
b) Management has determined that acquisition costs related to its exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
c) Management had to apply judgement with respect to whether the acquisition of Gold Line Resources Ltd. ("Gold Line") was an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the company acquired at the time of acquisition. Pursuant to the assessment, the acquisition of Gold Line was considered to be an asset acquisition.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Exploration and evaluation assets

The Company is currently in the exploration stage with its mineral interest. Exploration and evaluation costs include the costs of acquiring concessions, and the fair value, upon acquisition, of mineral properties acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.
Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets not considered a financial asset may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Investment in associate

Associated companies over which the Company has significant influence are accounted for using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received. The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated.

Objective evidence of impairment of equity investment includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or
- National or local economic conditions that correlate with defaults of the associated companies.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

a) Classification and measurement of financial assets and liabilities

A financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired. The Company's financial assets consist of cash, restricted cash, and receivables classified 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.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Amortized cost: This category includes accounts payable and accrued liabilities and subscriptions received in advance, all of which are recognized at amortized cost.

b) Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets are measured at amortized cost and subject to the ECL model.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the Company operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency of the Company's equity investment is the Swedish krona. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Where applicable, the functional currency of an entity is translated into the presentation currency using the period-end rates for assets and liabilities while the operations and cash flows are translated using average rates of exchange. Exchange adjustments arising when net assets and profit or loss are translated into the presentation currency are taken into a separate component of equity and reported in other comprehensive income or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Share Capital

Equity financing transactions may involve issuance of common shares or units. A unit comprises of a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and are included in share capital with the common shares that were concurrently issued.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants.

The fair value of stock options granted to directors, officers, employees and consultants is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period as an expense, with a corresponding increase in reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital. When the stock options are exercised, the corresponding amount is transferred to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Loss per share

The Company recognizes the dilutive effect on income or loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred taxes. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Acquisitions

The Company accounts for business acquisitions using the acquisition method in accordance with IFRS 3 - Business Combinations. Under this method, the acquisition date is the date on which the acquirer obtains control of the acquiree; the consideration transferred is measured at fair value and includes cash, equity instruments issued, and contingent consideration, if applicable; identifiable assets acquired and liabilities assumed are recognized at their fair values as of the acquisition date; goodwill is recognized as the excess of the consideration transferred over the net fair value of identifiable assets and liabilities acquired. If the net fair value exceeds the consideration transferred, the excess is recognized as a bargain purchase gain in profit or loss. Acquisition-related costs are expensed as incurred.

The Company applies judgment in determining whether an acquisition constitutes a business combination or an asset acquisition, based on the definition of a business under IFRS 3.

If an acquisition does not meet the definition of a business under IFRS 3, it is accounted for as an asset acquisition, where: The purchase price is allocated to individual assets and liabilities acquired based on their relative fair values; no goodwill is recognized in an asset acquisition; transaction costs are capitalized as part of the cost of the acquired assets and if multiple assets are acquired, their cost is allocated based on their relative standalone fair values.

The assessment of whether a transaction qualifies as a business combination or asset acquisition involves judgment, including:

- Whether the acquired assets include processes and outputs constituting a business.
- Determination of the fair value of acquired assets and liabilities.
- Measurement of contingent consideration, if applicable.
- Estimation of useful lives of acquired intangible assets.

Future accounting changes

Effective January 1, 2027, the Company is required to adopt IFRS 18, Presentation and Disclosure in Financial Statements, with early adoption permitted. IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7, Statement of Cash Flows. The Company is assessing the potential impact of the application of the standards.

(Expressed in Canadian Dollars)

4. ACQUISITION OF GOLD LINE

On February 23, 2024, the Company completed the acquisition of all the issued and outstanding common shares of Gold Line whereby each Gold Line shareholder received 0.7382 common shares of the Company in exchange for one common share of Gold Line (the "Arrangement"). Pursuant to the Arrangement, the Company issued 35,747,716 common shares with a fair value of $4,289,726. Gold Line was a Canadian exploration company listed on the TSX-V and OTC Exchange. On completion of the Arrangement, Gold Line's common shares were delisted from the TSX-V and OTC Exchange.

As part of the Arrangement, all outstanding share options and warrants of Gold Line were exchanged for share options to acquire up to an aggregate of 1,550,220 common shares of the Company. All outstanding warrants of Gold Line are now exercisable to acquire 14,188,255 common shares of the Company.

The transaction costs associated with the Arrangement totaled $101,043 and is comprised of legal fees and transfer agent fees.

The acquisition of Gold Line constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination, but rather it is treated as a payment of equity consideration for the acquisition of Gold Line and its net assets. The value of the consideration paid after allocation to the other net assets acquired, was allocated to exploration and evaluation assets, which are located in Sweden and Finland.

The total consideration for the acquisition of the assets and liabilities of Gold Line assumed on acquisition were as follows:

		Total
Cost of acquisition:		
Common shares issued	$	4,289,726
Transaction costs		101,043
Value of stock options		126,020
Value of warrants		237,655
Total consideration		**$4,754,444**
Allocated as follows:		
Cash		14,126
Receivables		35,403
Prepaid expenses		68,847
Exploration and evaluation assets		6,221,626
Accounts payable		(1,585,558)
	$	**4,754,444**

(Expressed in Canadian Dollars)

5. EQUITY INVESTMENT - EXPLORATION AND EVALUATION ASSETS

Barsele Project

On September 25, 2015, a 45% interest in the Barsele Project which includes Gunnarn Mining AB and Gunnarn Exploration AB (collectively "Barsele JV") was transferred from Orex Minerals Inc. ("Orex") to the Company pursuant to a plan of arrangement. The Barsele Project is now a joint venture with Agnico Eagle Mines Limited ("Agnico"). As part of the joint venture agreement, Agnico committed to spend US $7 million on Project expenditures over three years and can earn an additional 15% interest in Gunnarn Mining AB, which owns the Barsele Project, if it completes a pre-feasibility study.

As Agnico has elected to solely-fund the expenditures on behalf of the Barsele JV until completion of the pre-feasibility study, the Company does not have any responsibility for expenditures or net liabilities of the Barsele JV until such point that Agnico has earned its additional 15% interest. Summarized financial information for the Barsele JV is as follows:

		December 31, 2024		December 31, 2023
Current assets	$	804,727	$	593,960
Non-current assets		6,354,471		6,444,805
Current liabilities		2,609,860		3,243,546
Loss for the year		2,384,202		2,761,229
Comprehensive loss for the year		1,673,462		2,064,586
The Company's ownership %		45%		45%
The Company's share of loss for the year	$	Nil	$	Nil

As at December 31, 2024 and 2023, the Company's investment in Barsele JV was $1. The Company's unrecognized share of the net loss for the year ended December 31, 2024 was approximately $1,072,891 (2023 – $1,242,553). The Company has a minority position on the board of its associated company Gunnarn Mining AB and does not control operational decisions. The Company's judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

Exploration expenses reported for the year ended December 31, 2024 of $808,075 (2023 - $281,005) were incurred to meet the Company's reporting obligations, and to monitor its interest in the Barsele JV, and are non-recoverable.

6. EXPLORATION AND EVALUATION ASSETS

As part of the acquisition of Gold Line (Note 4), the Company acquired its exploration and evaluation assets. The following tables summarize the capitalized costs associated with the Company's exploration and evaluation assets:

		Gold Line Project		Klippen Gold Project		Oijärvi Gold Project		Total
Acquisition Costs								
Balance, December 31, 2022 and 2023	$	-	$	-	$	-	$	-
Acquisition of Gold Line (Note 4)		3,522,377		844,217		1,855,032		6,221,626
Shares issued for mineral property acquisition		-		-		10,063,754		10,063,754
Write-down of exploration and evaluation asset		-		(844,217)		-		(844,217)
Balance, December 31, 2024	$	3,522,377	$	-	$	11,918,786	$	15,441,163

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Gold Line Project, Sweden

As part of the acquisition of Gold Line (Note 4), the Company acquired its Gold Line Project located in Sweden. The Gold Line Project consist of mineral property licenses in the Gold Line of Northern Sweden and includes the Långtjärn Property, Blåbärliden Property, Paubäcken Property, and the Kankberg Norra Property.

The project was acquired by Gold Line from EMX Royalty Corporation ("EMX") who under the terms of the original agreement will have the right to participate pro-rata in future financings of the Company at its own cost to maintain its interest in Gold Line (the "Pre-Emptive Right") until EMX's interest becomes less than 5%. EMX also received a royalty interest of 3% on the production returns to certain licences and properties of the Gold Line Project. Within six years of April 1, 2019, Gold Line can exercise its right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% royalty interest) by paying EMX 2,500 ounces of gold, or the cash equivalent thereof. In addition, the following royalty agreements are associated with the Project.

Eurasian Minerals Sweden AB ("EMSAB") Royalty:

Gold Line entered into a royalty agreement with EMSAB dated April 1, 2019, pursuant to which Gold Line is required to pay annual advance royalty (the "Gold Line AAR") payments of 30 ounces of gold on or before April 1, 2022, the third anniversary of the closing date. This royalty payment will then increase by five ounces per year up to a maximum of 75 ounces of gold per year until commencement of commercial production. EMSAB will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares, subject to certain and agreed upon conditions. During the year ended December 31, 2024, the Company paid $182,674 (US$131,856) related to the Gold Line AAR.

AOI Royalty:

Certain additional licenses were staked subsequent to the original agreement with EMX. Per the terms of the original agreement, all licenses staked within the agreed upon area of interest (the "AOI") or subsequently acquired by Gold Line before April 1, 2024 will also be subject to a 1% net smelter return royalty in production from the AOI interest. The Company did not acquire any licences within the AOI before April 1, 2024.

Failure to Comply:

If Gold Line delivers a relinquishment notice to EMX, fails to make the required payment of royalties or annual advance royalties EMX will have the right to demand GLR transfer the Gold Line Project back to EMX for no further consideration.

Klippen Gold Project

As part of the acquisition of Gold Line (Note 4), the Company acquired the Klippen Gold Project. The Klippen Gold Project consists of an exploration license located in the Kingdom of Sweden, of which, Viad Royalties AB ("Viad") holds a 1% royalty interest.

Viad Royalty:

Gold Line entered into a royalty agreement with Viad dated December 31, 2021, pursuant to which Gold Line is required to pay annual advance royalty (the "Klippen AAR") payments of one ounce of gold on or before the first anniversary and every anniversary afterwards until the commencement of commercial production. Viad will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares, subject to certain and agreed upon conditions. During the year ended December 31, 2024, the Company accrued an AAR of $3,032 (US$2,189) which is included in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Klippen Gold Project (cont'd…)

Subsequent to the year ended December 31, 2024, the Company decided not to renew the Klippen claims and accordingly recognized a write-down of exploration and evaluation asset of $844,217 as at December 31, 2024.

Oijärvi Gold Project, Finland

As part of the acquisition of Gold Line (Note 4), the Company acquired its Oijärvi Gold Project located in central Finland. Gold Line and EMX previously entered into a definitive agreement (the "AEM Agreement") with Agnico Eagle Mines Limited (NYSE and TSX: AEM; "Agnico") pursuant to which Gold Line will acquire a 100% interest in Agnico's Oijärvi Gold Project and the Solvik Gold Project which was impaired by Gold Line during the year ended December 31, 2022 (the "AEM Transaction"). Agnico will retain a 2% net smelter return ("NSR") royalty on the projects, 1% of which may be purchased at any time by EMX for US$1,000,000.

Eurasian Minerals Sweden AB ("EMSAB") Royalty:

Gold Line entered into a royalty agreement with EMSAB dated March 25, 2021, pursuant to which Gold Line is required to pay annual advance royalty (the "Oijärvi AAR") payments of 30 ounces of gold on or before March 25, 2024, the third anniversary of the closing date. This royalty payment will then increase by five ounces per year up to a maximum of 75 ounces of gold per year until commencement of commercial production. EMSAB will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares, subject to certain and agreed upon conditions. During the year ended December 31, 2024, the Company paid $159,840 (US$115,374) related to the Oijärvi AAR.

On May 1, 2023, Gold Line entered into an amending agreement to the AEM Agreement ("Amended AEM Agreement").

In connection with the Amended AEM Agreement, Gold Line issued 1,327,989 common shares (issued) on May 1, 2023 and was required to make a cash payment in the amount of US$87,500 on or before June 30, 2023 (paid).

As a result of the Amended AEM Agreement, total consideration would be US$10,175,000, comprised of US$7,087,500 in cash, US$1,500,000 in common shares of EMX and US$1,587,500 in common shares of Gold Line, which was required to be paid (or had been paid) to Agnico as follows:

Date	Cash Payments (USD)	EMX Shares (USD)	Gold Line Shares (USD)
Upon TSXV approval	$750,000 (paid)	$375,000 (issued)	$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	$1,500,000 (paid)	$500,000 (issued)	$500,000 (issued)
On the second anniversary of the AEM Agreement (March 19, 2023)	$87,500 (paid)	-	$87,500 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	$4,750,000 (not paid)	$625,000 (not issued)	$625,000 (not issued)
Total	**$7,087,500**	**$1,500,000**	**$1,587,500**

As part of the AEM Agreement, EMX would receive cash and share payments from the Gold Line as set out in the revised table below, as well as the purchase right of 1% of Agnico's 2% NSR royalty.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Oijärvi Gold Project, Finland (cont'd…)

Date	Cash Payments (USD)	Gold Line Shares Issued to EMX (USD)
Upon TSXV approval	-	$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	$250,000 (paid)	$250,000 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	$312,500 (not paid)	$312,500 (not issued)

On July 15, 2024, the Company entered into a subscription agreement with Agnico that will result in Agnico Eagle holding, after giving effect to the transaction, 13.3% of the issued and outstanding common shares of the Company, subject to the receipt of certain regulatory approvals and the satisfaction of other conditions.

Agnico Eagle has agreed to exchange amounts that remained due under the Amended AEM Agreement between certain subsidiaries of the Company, certain subsidiaries of Agnico Eagle and EMX for 27,954,872 common shares of the Company (the "Transaction"). The Transaction is being effected by way of a subscription agreement between the Company and Agnico Eagle. The Transaction provided for the acquisition of the Oijärvi Gold Project ("Oijärvi" or the "Project"). The Oijärvi is a greenstone belt land package that includes the Kylmäkangas gold deposit.

On July 31, 2024, the Company completed the Transaction to acquire the Oijärvi Gold Project. The Company issued 27,954,872 common shares to Agnico Eagle at a fair value of $10,063,754. The common shares were valued using the trading price on the date of issuance.

In connection with the Transaction, Agnico Eagle and the Company entered into an investor rights agreement that provides Agnico Eagle with, among other things, certain rights in the event it maintains minimum ownership thresholds in the Company, including: (i) the right to participate in equity financings; (ii) a top-up right that would permit Agnico Eagle to increase its holdings in the Company to 19.9%; and (iii) the right (which Agnico Eagle has no present intention of exercising) to nominate one person to the Company's board of directors.

Oijärvi Reservation Transaction

On January 21, 2022, in connection with an amended to the Gold Line Project agreement, Gold Line acquired the Oijärvi exploration reservation (the "Oijärvi Reservation") from EMX. Under the terms of the agreement, EMX also received an uncapped 3% NSR royalty on the Oijärvi Reservation. Within six years of December 31, 2021, Gold Line can exercise its right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% NSR) by paying EMX 2,500 ounces of gold, or the cash equivalent thereof.

EMX will also receive annual advance royalty (the "Oijärvi Extension AAR") payments of 30 ounces of gold on the Oijärvi Extension Project, commencing on December 31, 2023, the second anniversary of the closing date, until commencement of commercial production, with each Oijärvi Extension AAR payment increasing by five ounces of gold per year, starting from the fourth anniversary, up to a maximum of 75 ounces of gold per year. EMX will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares of Gold Line, subject to certain and agreed upon conditions. During the year ended December 31, 2024, the Company accrued $102,886 (US$74,264) related to the Oijärvi Extension AAR which was paid subsequent year end.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Oijärvi Gold Project, Finland (cont'd…)

In addition, the Oijärvi Reservation would be held by EMX, in trust for Gold Line, until such time as the Oijärvi Reservation had been converted into an exploration permit application (the "Exploration Permit Application") registered in the name of the Gold Line. The Company submitted its Exploration Permit Application in January 2023, and in January 2024, the Oijärvi Reservation was officially converted into an exploration permit.

7. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Issued

In connection with the Arrangement, the Company closed a concurrent private placement. In January and February 2024 prior to closing of the Arrangement, the Company issued a total of 8,082,399 subscription receipts at a price of $0.15 per unit for gross proceeds of $1,212,360. Upon closing of the Arrangement, each subscription receipt was converted into one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common shares of the Company at a price equal to $0.25 per share for a period of two years. The Company paid finder's fees of $50,845 and issued 338,967 finder warrants. The finder warrants have the same terms as the warrants described above. The finders' warrants were valued using the Black Scholes option pricing model and was estimated to be $18,625.

In connection with the Transaction, the Company issued 27,954,872 common shares to Agnico Eagle at a price of $0.36 per share for gross proceeds of $10,063,754, which proceeds were used by the Company to immediately satisfy the remaining consideration payable to certain subsidiaries of Agnico Eagle under the Purchase Agreement (Note 6). The Company paid fees of $68,752 associated with the Transaction.

During the year, 8,571,230 stock options were exercised for a total consideration of $2,039,720.

During the year, 9,257,555 warrants were exercised for a total consideration of $2,785,916.

The Company closed a private placement offering (the "Offering") for aggregate gross proceeds of $11,500,368. The Offering consisted of the issuance of 34,849,600 units of the Company (the "Offered Units") at a price of $0.33 per Offered Unit (the "Issue Price").

Each Offered Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of $0.45 for a period of 24 months from the closing date of the Offering.

In consideration for its services, the Company (i) paid the Underwriters $676,697, a cash commission equal to 6.0% of the gross proceeds from the Offering (other than in respect of the gross proceeds raised from the issuance of Offered Units to a certain institutional investor, for which a reduced commission of 3.0% was paid), and (ii) issued to the Underwriters 2,090,976 of non-transferable compensation options (the "Compensation Options") valued at $296,410. Each Compensation Option is exercisable to acquire one common share of the Company at a price of $0.33 per share for a period of 24 months from the closing date of the Offering.

7. SHARE CAPITAL AND RESERVES (cont'd…)

Stock Options

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the Board of Directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

On April 6, 2023, the Company granted 575,000 stock options to an investor relations firm. The stock options have an exercise price of $0.35 per share, expire two years from the date of grant and vest in equal quarterly instalments over 12 months. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $0.17. The following assumptions were used: risk free interest rate of 3.75%, dividend yield of 0%, expected volatility of 86.89% and expected life of 2 years.

On December 22, 2023, the Company granted 2,700,000 stock options to directors, officers and consultants. The stock options have an exercise price of $0.17 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $0.10. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 89.41% and expected life of 5 years.

On February 23, 2024, the Company issued 1,550,220 options to previous option holders of Gold Line in accordance with the Arrangement (Note 4). The options are exercisable at $0.15 per share and will expire on December 22, 2028. The options were all fully vested on the acquisition date. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $126,020. The following assumptions were used: risk free interest rate of 3.81%, dividend yield of 0%, expected volatility of 91.18% and expected life of 4.84 years.

On April 5, 2024, the Company issued 9,800,000 stock options to directors, officers and consultants. The stock options have an exercise price of $0.20 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $1,419,070. The following assumptions were used: risk free interest rate of 3.68%, dividend yield of 0%, expected volatility of 92.14% and expected life of 5 years.

On May 27, 2024, the Company issued 1,700,000 stock options to directors, officers and consultants. The stock options have an exercise price of $0.23 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $284,421. The following assumptions were used: risk free interest rate of 3.88%, dividend yield of 0%, expected volatility of 92.56% and expected life of 5 years.

On May 31, 2024, the Company issued 1,000,000 options to directors, officers and consultants. The stock options have an exercise price of $0.25 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $177,128. The following assumptions were used: risk free interest rate of 3.66%, dividend yield of 0%, expected volatility of 92.56% and expected life of 5 years.

On July 26, 2024, the Company issued 525,000 options an officer. The stock options have an exercise price of $0.33 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $123,600. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 93.34% and expected life of 5 years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

Stock Options (cont'd…)

On September 16, 2024, the Company issued 1,727,500 stock options to a director and consultants. The stock options have an exercise price of $0.36 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $450,230. The following assumptions were used: risk free interest rate of 2.68%, dividend yield of 0%, expected volatility of 91.15% and expected life of 5 years.

On September 20, 2024, the Company issued 889,542 stock options to a consultant. The stock options have an exercise price of $0.37 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be $226,802. The following assumptions were used: risk free interest rate of 2.73%, dividend yield of 0%, expected volatility of 91.14% and expected life of 5 years.

On December 12, 2024, the Company issued 267,500 stock options to a consultant. The stock options have an exercise price of $0.37 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the compensatory options to be $66,000. The following assumptions were used: risk free interest rate of 2.94%, dividend yield of 0%, expected volatility of 91.02% and expected life of 5 years.

The share-based payments expense for stock options granted and vested during the year ended December 31, 2024, was $2,747,251 (2023 – $293,824).

Stock option transactions are summarized as follows:

	Options		Options Weighted average exercise price
Outstanding, December 31, 2022	6,575,000	$	0.62
Expired	(2,325,000)		0.63
Granted	3,275,000		0.20
Exercised	(287,500)		0.35
Outstanding, December 31, 2023	7,237,500	$	0.44
Issued on acquisition of Gold Line (Note 4)	1,550,220		0.15
Granted	15,909,542		0.24
Exercised	(8,571,230)		0.24
Expired	(1,700,000)		0.53
Forfeited	(730,420)		0.24
Outstanding, December 31, 2024	15,786,588	$	0.30
Exercisable, December 31, 2024	15,786,588	$	0.30

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

Stock Options (cont'd…)

The following stock options to acquire common shares of the Company were outstanding at December 31, 2024:

Number of Options	Exercise Price ($)	Expiry Date
2,250,000	0.65	February 3, 2026
300,000	0.76	May 28, 2026
1,400,000	0.17	December 22, 2028
1,218,030	0.15	December 22, 2028
6,578,540	0.20	April 5, 2029
200,000	0.23	May 27, 2029
525,000	0.33	July 26, 2029
1,000,000	0.36	September 16, 2029
24,042	0.37	September 20, 2029
200,000	0.37	December 12, 2029
13,695,612		

Warrants and Compensatory Options

In connection with the private placement completed in January and February 2024, the Company issued 4,041,197 warrants. The warrants have an exercise price of $0.25 per share, expire two years from the date of grant and vest immediately. Under the residual value method, $nil was attributed to the warrants. The Company also issued 338,967 finders' warrants. The finders' warrants have an exercise price of $0.25 per share and will expire on January 18, 2026, January 26, 2026 and February 9, 2026 respectively. The Company used the Black Scholes option pricing model to estimate the fair value of the finders' warrants to be $0.05. The following weighted average assumptions were used: risk free interest rate of 4.24%, dividend yield of 0%, expected volatility of 89.95% and expected life of 2 years.

On February 23, 2024, the Company issued 14,188,255 warrants to previous option holders of Gold Line Resources Ltd. in accordance with the Arrangement (Note 4). The warrants are exercisable at an average of $0.70 per share and will expire on September 14, 2024, January 31, 2025, April 28, 2025 and October 27, 2025 respectively. The warrants were all fully vested on acquisition date. The Company used the Black Scholes option pricing model to estimate the fair value of the warrants to be $237,655. The following weighted average assumptions were used: risk free interest rate of 4.23%, dividend yield of 0%, expected volatility of 101.55% and expected life of 1.1 years.

On July 8, 2024, the Company issued 3,150,631 warrants under the Warrant Incentive Program. The warrants have an exercise price of $0.40 per share, expire two years from the date of grant and vest immediately. Under the residual value method, $nil was attributed to the warrants.

On July 29, 2024, the Company issued 887,278 warrants under the Warrant Incentive Program. The warrants have an exercise price of $0.40 per share, expire two years from the date of grant and vest immediately. Under the residual value method, $nil was attributed to the warrants.

On November 26, 2024, the Company issued 2,090,976 compensatory options to underwriters. The compensatory options have an exercise price of $0.33 per share, expire two years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the compensatory options to be $296,410. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 91.12% and expected life of 2 years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

Warrants and Compensatory Options (cont'd…)

In connection with the private placement closed in November 2024, the Company issued 17,424,800 warrants. The warrants have an exercise price of $0.45 per share, expire two years from the date of grant and vest immediately. Under the residual value method, $522,744 was attributed to the warrants.

Warrant and compensatory option transactions are summarized as follows:

	Warrants and Compensatory Options		Warrants and Compensatory Options Weighted average exercise price
Outstanding, December 31, 2022	3,849,058	$	0.50
Granted	1,000,333		0.25
Outstanding, December 31, 2023	4,849,391		0.45
Issued on acquisition of Gold Line (Note 4)	14,188,255		0.70
Granted	27,933,849		0.40
Exercised	(9,257,555)		0.30
Expired	(2,589,756)		0.45
Outstanding, December 31, 2024	35,124,184	$	0.54
Exercisable, December 31, 2024	35,124,184	$	0.54

The following warrants to acquire common shares of the Company were outstanding at December 31, 2024:

Number of Warrants	Number of Compensatory Options	Exercise Price	Expiry Date
833,333	-	$0.25	November 17, 2025
2,616,866	-	0.25	January 18, 2026
1,144,377	-	0.25	January 26, 2026
166,371	-	0.25	February 9, 2026
1,891,638	-	0.39	January 31, 2025[1]
668,687	-	0.29	April 28, 2025[1]
110,140	-	0.34	April 28, 2025[1]
4,139,087	-	0.27	October 27, 2025
3,150,631	-	0.40	July 8, 2026
887,278	-	0.40	July 29, 2026
-	2,090,976	0.33	November 26, 2026
17,424,800	-	0.45	November 26, 2026
33,033,208	2,090,976		

[1] See Note 14.

8. CAPITAL MANAGEMENT

The Company defines its capital as shareholder equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company management has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the year.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended December 31, 2024 and 2023:

a) Fair value of common shares issued for Oijärvi Gold Project $10,063,754 (2023 - $Nil).

b) Fair value of common shares issued as share issuance costs $18,625 (2023 - $Nil).

c) Modification of warrants - $133,324 (2023 - $Nil).

d) Options exercised with a fair value of $1,356,017 (2023 - $7,507).

e) Fair value of shares issued to acquire Gold Line $4,289,726 (2023 - $Nil), fair value of options from Gold Line transferred to options of the Company $126,020 (2023 - $Nil) and fair value of warrants from Gold Line transferred to warrants of the Company $237,655 (2023 - $Nil).

f) In accounts payable and accrued liabilities is $nil (2023 - $3,437) of share issuance costs.

The Company paid or accrued $Nil for income taxes and interest during the year ended December 31, 2024 (2023 - $Nil).

10. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2024, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (cont'd…)

Compensation paid or payable to key management personnel for services rendered are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Management fees	$	819,533	$	462,000
Share based payments		895,461		165,127
Total	$	1,714,994	$	627,127

Other related party transactions are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Investor relations [1]	$	49,167	$	112,734
Investor relations		19,775		-
Office and administration [1]		224,316		224,316
Exploration expenditures [1]		-		62,605
Exploration expenditures		494,542		206,400
Share based payments		637,113		72,243
Total	$	1,424,913	$	678,298

[1] Fees paid to a management service company controlled by a director of the Company that provides a corporate secretary, investor relations, a geologist and accounting and administration staff to the Company on a shared cost basis.

Included in accounts payable and accrued liabilities as at December 31, 2024 is $683,872 (December 2023 - $Nil) due to directors or officers or companies controlled by directors.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

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

Fair value of financial instruments

The Company has various financial instruments including cash, restricted cash, receivables, accounts payable and accrued liabilities and subscriptions received in advance. The carrying values of all these financial instruments approximate their fair values due to the short-term maturity of the financial instruments.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Concentrations of business risk

The Company maintains a majority of its cash with a major Canadian financial institution. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of goods and services tax, which are recoverable from the governing body in Canada.

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 is exposed to liquidity risk. The Company manages liquidity risk through the management of its capital structure.

Foreign exchange risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, prepaid expenses, amounts payable and accrued liabilities that are denominated in the Swedish krona and the US dollar. A 10% fluctuation in the SEK or the USD against the Canadian dollar would not result in any material change in loss for the year ended December 31, 2024.

Interest rate risk

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

Price risk

Mineral prices, in particular gold and silver, are volatile. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

(Expressed in Canadian Dollars)

12. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

		December 31, 2024		December 31, 2023
Equity investment – exploration and evaluation assets				
Sweden	$	1	$	1
Exploration and evaluation assets				
Sweden	$	3,522,377	$	-
Finland	$	11,918,786	$	-

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2024		2023
Loss for the year	$	(10,864,315)	$	(1,827,526)
Expected income tax (recovery)	$	(2,933,000)	$	(493,000)
Change in statutory, foreign tax, foreign exchange rates and other		162,000		-
Permanent differences		741,000		79,000
Share issue cost		(266,000)		(5,000)
Adjustment to prior years provision versus statutory tax returns		(18,000)		(5,000)
Impact of acquisition		(3,750,000)		-
Change in unrecognized deductible temporary differences		6,064,000		424,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2024	Expiry Date Range		2023	Expiry Date Range
Temporary Differences						
Share issue costs	$	1,201,000	2045 to 2048	$	68,000	2044 to 2047
Exploration and evaluation assets	$	1,013,000	No expiry date	$	-	No expiry date
Non-Capital losses						
Canada	$	24,147,000	2035 to 2044	$	10,762,000	2035 to 2043
Sweden	$	9,396,000	No expiry date		-	N/A
Finland		-	N/A		-	N/A

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. SUBSEQUENT EVENTS

a) The Company announced that it has closed its brokered private placement (the "Private Placement") of Swedish depository receipts ("SDRs") in conjunction with its planned listing on the Nasdaq First North Growth Market ("Nasdaq First North") in Sweden. SDRs are a financial instrument issued by a Swedish bank representing shares in a non-Swedish company. The Private Placement of SEK 7.5 million was fully subscribed and the full oversubscription allotment of SEK 2.5 million was used. 3,105,591 SDRs were subscribed at a price of SEK 3.22 per SDR for aggregate gross proceeds of approximately SEK 10.0 million ($1.4 million). Each subscribed SDR is underpinned by one common share of the Company.

b) The Company granted stock options under the Company's stock option plan to directors, officers, and consultants as follows:
   - January 7, 2025 – 8,890,000 options exercisable at $0.39 per share, expiring in 5 years.
   - January 20, 2025 – 1,000,000 options exercisable at $0.42 per share, expiring in 5 years.

c) Subsequent to the year ended December 31, 2024, 1,350,730 stock options were exercised for total proceeds of $354,210. In addition, 200,000 stock options were forfeited.

d) Subsequent to the year ended December 31, 2024, 4,058,066 warrants were exercised for total proceeds of $1,140,078. In addition, 1,983,300 warrants expired unexercised.

e) Subsequent to the year ended December 31, 2024, 18,000 compensation options were exercised for total proceeds of $5,940.

f) On April 16, 2025, the Company filed a short form base shelf prospectus to offer and issue common shares, debt securities, subscription receipts, warrants and units, having an aggregate offering price of up to $100,000,000, during the 25-month period that it remains valid.