# Golden Arrow Resources Corporation

**CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

*(Expressed in Canadian Dollars)*

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# Independent Auditor's Report

To the Shareholders of Golden Arrow Resources Corp.

**Opinion**

We have audited the consolidated financial statements of Golden Arrow Resources Corp. (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year 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 Group 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 is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2024. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. 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.

**Recoverability of Exploration and Evaluation Assets**
As disclosed in Note 4 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2024.

Why the matter was determined to be a key audit matter
We considered this a key audit matter due to (i) the significance of the mineral property interests balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mineral property balances, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit
We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;

- Assessing compliance with option agreements by reviewing agreements;

- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;

- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and

- Assessing the adequacy of the related disclosures in Note 2, and Note 4 to the consolidated financial statements.

**Transaction with Sociedad de Servicios Andinos SpA**

As disclosed in Note 4 (a) to the consolidated financial statements, the Group and its subsidiary New Golden Explorations Chile SpA ("NGE") entered into an option agreement with Sociedad de Servicios Andinos SpA ("SSA") to receive cash and exploration services in exchange for an option right to acquire a 25% ownership of NGE's total issued and outstanding shares (the "Transaction"). We identified the Group's accounting for and the valuation and disclosure of the Transaction as a key audit matter. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy and significant judgments applied.

Why the matter was determined to be a key audit matter

We considered the Group's accounting for the Transaction as a key audit matter as the Company was required to make certain key judgments and interpretations, and auditing the accounting treatment and resulting valuation of the Transaction involved the use of technical knowledge and interpretation of accounting standards, as well as a high degree of auditor judgment and effort.

How the matter was addressed in our audit

In responding to the key audit matter, we performed the following audit procedures:

- Obtained an understanding of management's process for accounting for the Transaction;

- Assessed the information in the Transaction agreement to evaluate relevant accounting matters;

- Evaluated management's determination of the accounting treatment of the Transaction by analyzing specific facts and circumstances against relevant accounting guidance;

- With the assistance of our valuation specialists, evaluated the methodology applied to value the option to acquire the shares of NGE; and

- Evaluated the adequacy of the Group's disclosure of the Transaction.

**Other matter**

The consolidated financial statements of Golden Arrow Resources Corp. for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 25, 2024.

**Other Information**

Management is responsible for the other information. The other information comprises:

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group’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 Group’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 Group 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Crowe MacKay LLP

**Chartered Professional Accountants**
**Vancouver, Canada**
**April 29, 2025**

## Golden Arrow Resources Corporation
### Consolidated Statements of Financial Position
*(Expressed in Canadian Dollars)*

| | Note | December 31, 2024 $ | December 31, 2023 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 868,624 | 115,800 |
| Amounts receivable | 7 | 169,677 | 519,594 |
| Prepaid expenses | | 205,114 | 242,427 |
| **Total current assets** | | **1,243,415** | **877,821** |
| **Non-current assets** | | | |
| Investments | 5 | 1,040,000 | 1,200,000 |
| Mineral property interests | 4 | 4,435,698 | 4,257,827 |
| Right-of-use assets | 3 | - | 169,509 |
| **Total non-current assets** | | **5,475,698** | **5,627,336** |
| **Total Assets** | | **6,719,113** | **6,505,157** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | 7 | 1,249,921 | 744,866 |
| Current portion of lease liabilities | | - | 52,040 |
| **Total current liabilities** | | **1,249,921** | **796,906** |
| Lease liabilities | | - | 138,731 |
| **Total liabilities** | | **1,249,921** | **935,637** |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 6 | 39,876,724 | 38,757,656 |
| Reserves | 6 | 27,334,603 | 26,983,361 |
| Obligation to issue shares | 4a | 6,795,815 | - |
| Deficit | | (68,537,950) | (60,171,497) |
| **Total shareholders' equity** | | **5,469,192** | **5,569,520** |
| **Total Shareholders' Equity and Liabilities** | | **6,719,113** | **6,505,157** |

**NATURE OF OPERTAIONS AND GOING CONCERN (Note 1)**

**COMMITMENTS (Note 10)**

**CONTINGENCY (Note 11)**

**SUBSEQUENT EVENTS (Note 16)**

These consolidated financial statements are authorized for issue by the Board of Directors on April 29, 2025. They are signed on the Company's behalf by:

*"Nikolaos Cacos"* , Director

"*David Terry*" , Director

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

## Golden Arrow Resources Corporation
### Consolidated Statements of Loss and Comprehensive Loss
*(Expressed in Canadian Dollars)*

| | Note | Year ended December 31, 2024 $ | 2023 $ |
|---|---|---|---|
| **Expenses** | | | |
| Administration and management services | 7 | 90,000 | 392,100 |
| Corporate development and investor relations | | 262,045 | 533,529 |
| Depreciation | 3 | 22,907 | 118,460 |
| Exploration | 4 | 7,018,103 | 4,935,805 |
| Office and sundry | 7 | 72,561 | 242,319 |
| Professional fees | 7 | 241,485 | 278,317 |
| Rent, parking and storage (recovery) | | 36,027 | (11,080) |
| Salaries and employee benefits | 7 | 820,493 | 1,010,440 |
| Share-based compensation | 7 | - | 284,276 |
| Transfer agent and regulatory fees | | 50,557 | 43,333 |
| Travel and accommodation | | 11,899 | 33,442 |
| **Loss from operating activities** | | **(8,626,077)** | **(7,860,941)** |
| Other income (expenses) | | | |
| Foreign exchange gain (loss) | | 57,982 | (217,024) |
| Gain on sale of marketable securities | 9 | 159,762 | 931,908 |
| Option income | 4b | - | 1,200,000 |
| Dividend income | 5 | - | 24,338 |
| Interest expense | | (9,290) | (39,746) |
| Gain on derecognition of ROU assets | 3 | 23,189 | 3,319 |
| Interest income | | 27,981 | 140,109 |
| **Income from other items** | | **259,624** | **2,042,904** |
| **Loss for the year** | | **(8,366,453)** | **(5,818,037)** |
| **Other comprehensive loss** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Change in fair value of marketable securities | 5 | (160,000) | (118,881) |
| **Other comprehensive loss for the year** | | **(160,000)** | **(118,881)** |
| **Comprehensive loss for the year** | | **(8,526,453)** | **(5,936,918)** |
| **Basic and diluted loss per common share ($)** | 8 | **(0.06)** | **(0.05)** |

## Golden Arrow Resources Corporation
### Consolidated Statements of Cash Flows
*(Expressed in Canadian Dollars)*

| | Note | Year ended December 31, 2024 $ | 2023 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss for the year | | (8,366,453) | (5,818,037) |
| Adjustments for: | | | |
| Depreciation | 3 | 22,907 | 118,460 |
| Depreciation of property and equipment included in exploration expenses | | - | 4,079 |
| Gain on derecognition of right-of-use assets | 3 | (23,189) | (3,319) |
| Gain on sale of marketable securities | | (159,762) | (931,908) |
| Interest expense | | 9,290 | 39,746 |
| Share-based compensation | | - | 284,276 |
| Option income | 4b | - | (1,200,000) |
| Exploration services provided by Servicios Andinos SpA | 4a | 4,054,354 | - |
| Dividend income | | - | (24,338) |
| | | (4,462,853) | (7,531,041) |
| Change in non-cash working capital items: | | | |
| Decrease (increase) in amounts receivable | | 349,917 | (142,720) |
| Decrease (increase) in prepaid expenses | | 37,313 | (75,445) |
| Increase in accounts payable and accrued liabilities | | 505,055 | 160,084 |
| **Net cash used in operating activities** | | **(3,570,568)** | **(7,589,122)** |
| **Cash flows from investing activities** | | | |
| Expenditures on mineral property interests | 4 | (177,871) | (12,502) |
| Dividend income | | - | 24,338 |
| Proceeds from sale of marketable securities | 5 | 1,044,996 | 8,306,015 |
| Purchase of marketable securities | | (885,234) | (1,869,268) |
| **Net cash (used in) received from investing activities** | | **(18,109)** | **6,448,583** |
| **Cash flows from financing activities** | | | |
| Issuance of common shares and warrants | 6 | 1,677,000 | 819,655 |
| Share issue costs | 6 | (46,690) | (23,878) |
| Lease payments | | (30,270) | (146,148) |
| Obligation to issue shares | 4a | 2,741,461 | - |
| **Net cash received from financing activities** | | **4,341,501** | **649,629** |
| **Net increase (decrease) in cash and cash equivalents** | | **752,824** | **(490,910)** |
| Cash and cash equivalents at beginning of year | | 115,800 | 606,710 |
| **Cash and cash equivalents at end of year** | | **868,624** | **115,800** |
| **Cash and cash equivalents are comprised of:** | | | |
| Cash | | 396,798 | 75,352 |
| Cash equivalents | | 471,826 | 40,448 |
| | | 868,624 | 115,800 |

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

## Golden Arrow Resources Corporation
## Consolidated Statements of Changes in Equity
*(Expressed in Canadian Dollars)*

| | Share capital | | Reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Number of shares | Amount $ | Contributed surplus $ | Equity settled share-based payments $ | Warrants $ | Accumulated other comprehensive income $ | Obligation to issue shares $ | Deficit $ | Total $ |
| Balance at December 31, 2022 | 115,167,239 | 38,088,211 | 18,071,509 | 1,031,001 | 1,163,346 | 6,425,778 | - | (54,353,460) | 10,426,385 |
| Private placement | 11,709,357 | 697,505 | - | - | 122,150 | - | - | - | 819,655 |
| Share issue costs | - | (23,878) | - | - | - | - | - | - | (23,878) |
| Agent warrants granted | - | (4,182) | - | - | 4,182 | - | - | - | - |
| Share-based compensation | - | - | - | 284,276 | - | - | - | - | 284,276 |
| Stock options expired | - | - | 680,866 | (680,866) | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | - | (118,881) | - | (5,818,037) | (5,936,918) |
| Balance at December 31, 2023 | 126,876,596 | 38,757,656 | 18,752,375 | 634,411 | 1,289,678 | 6,306,897 | - | (60,171,497) | 5,569,520 |
| Private placement | 33,540,000 | 1,187,982 | - | - | 489,018 | - | - | - | 1,677,000 |
| Share issue costs | - | (46,690) | - | - | - | - | - | - | (46,690) |
| Agent warrants granted | - | (22,224) | - | - | 22,224 | - | - | - | - |
| Warrants expired | - | - | 1,163,347 | - | (1,163,347) | - | - | - | - |
| Obligation to issue shares | - | - | - | - | - | - | 6,795,815 | - | 6,795,815 |
| Total comprehensive loss for the year | - | - | - | - | - | (160,000) | - | (8,366,453) | (8,526,453) |
| Balance at December 31, 2024 | 160,416,596 | 39,876,724 | 19,915,722 | 634,411 | 637,573 | 6,146,897 | 6,795,815 | (68,537,950) | 5,469,192 |

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Arrow Resources Corporation (the "Company") was incorporated on September 22, 2015, under the Business Corporations Act in the province of British Columbia. The address of the Company's registered office is Suite 411 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6. The Company is listed on the TSX Venture Exchange ("TSX-V"), trading under the symbol "GRG", the OTCQX, trading under the symbol "GARWF", and the Frankfurt Stock Exchange, trading under the symbol "G6A".

The Company is a natural resource company engaged in the acquisition, exploration and development of resource properties in South America. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for mineral property interests are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

These audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to consolidated financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has a deficit of $68,537,950, negative working capital of $6,506 and a shareholders' equity of $5,469,192 at December 31, 2024. In addition, the Company incurred negative cash flow from operating activities of $3,570,568 for the year ended December 31, 2024. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company's financial position indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations are dependent upon its ability to raise additional funding to meet its obligations as they fall due. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, tariffs, and national and international circumstances. Recent geopolitical events, and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These audited consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

## 2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

### a) Statement of compliance

The Company's audited consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with IFRS issued by the IASB, effective for the Company's reporting for the year ended December 31, 2024. These consolidated financial statements were approved by the Board of Directors of the Company on April 29, 2025.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

b) **Basis of presentation**

These consolidated financial statements have been prepared on a historical cost basis except for marketable securities, which are carried at fair value.

c) **Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

| | Place of Incorporation | Principal Activity |
|---|---|---|
| New Golden Explorations Inc. | BC, Canada | Holding company |
| New Golden Explorations Atlantida Ltd. | BC, Canada | Holding company |
| New Golden Explorations Indiana Ltd. | BC, Canada | Holding company |
| New Golden Explorations Indiana Chile SpA | Chile | Exploration company |
| New Golden Explorations Chile SpA | Chile | Exploration company |
| Desarrollo de Recursos S.A. | Argentina | Exploration company |

On November 21, 2023, the Company transferred its 100% ownership in Lucca S.A. to an arm's length party for nominal consideration to eliminate ongoing corporate overhead costs in Paraguay.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

*Foreign currencies*

The presentation and functional currency of the Company and each of its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses are recognized in profit or loss.

*Right-of-use asset and lease liabilities*

The right-of-use asset is depreciated over the lease period. Depreciation of an asset begins once it is available for use. At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement date of a lease.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognized in profit or loss (a) interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs.

*Exploration, Evaluation and Development Expenditures*

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. All direct costs related to the acquisition of resource property interests are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

Proceeds received for farm-out arrangements or recoveries of costs are credited against the cost of the related claims. The Company recognizes in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount. Mineral property acquisition costs include cash costs and the fair market value of common shares issued, based on the trading price of the shares issued for mineral property interests, pursuant to the terms of the related property agreements. Payments related to a property acquired under an option or joint venture agreement are made at the sole discretion of the Company, and are recorded as mineral property acquisition costs upon payment.

*Cash and Cash Equivalents*

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit ratings.

*Impairment*

At the end of each reporting period the carrying amounts of the Company’s long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any 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 of disposal and value in use.

Fair value is determined as the amount that would be obtained by the sale of the asset in any arm’s length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated cash flows expected to arise from the continued use of the asset, including expansion projects. Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is assessed at the level of cash-generating units (“CGUs”), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place. Management reviewed the non-current assets for the year ended December 31, 2024 and did not identify any impairment indicators or reversal previously booked.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

*Financial instruments*

Financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows.

Cash and cash equivalents, and amounts receivable are classified as measured at amortized cost. The Company has made an irrevocable election to classify its equity investment in Mogotes Metals Inc. and SSR Mining Inc. ("SSRM") at fair value through other comprehensive income ("FVOCI"). The Company may acquire and transfer marketable securities from time to time, to facilitate intragroup funding transfers between the Canadian parent and its Argentine subsidiaries. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss.

Financial liabilities, including accounts payable and accrued liabilities, and lease liabilities, are classified and measured at amortized cost.

Financial instruments that contain a financial liability and an equity component, if the equity conversion feature results in the issuance of a fixed number of the Company or its subsidiaries equity instruments (the "fixed-for-fixed" criteria), the equity conversion feature will be treated as equity. If the fixed-for-fixed criteria is not met, the equity conversion feature is an embedded derivative and is measured at FVTPL.

*Valuation of equity units issued in private placements*

The Company follows a pro rata allocation method with respect to the measurement of shares and warrants issued as private placement units. This values each component at fair value and allocates total proceeds received between shares and warrants based on the pro rata relative values of the components. The fair value of the common shares is based on the closing quoted bid price on the issue date and the fair value of the common share purchase warrants is determined at the issue date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in warrants reserve. In the event of modification in warrants issued as private placement units, no re-measurement adjustment is recognized within equity.

*Share-based Payment Transactions*

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for stock options and warrants that have expired are transferred to contributed surplus. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

*Earnings and Loss per Share*

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

*Restoration, Rehabilitation, and Environmental Obligations*

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss. The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date are minimal.

*Significant Accounting Estimates and Judgments*

The preparation of these consolidated financial statements 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, 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:

## 2. MATERIAL ACCOUNTING POLICIES (continued)

*Critical accounting judgments*

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The analysis of the functional currency for each entity of the Company involves significant judgment by management. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

iii. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

*Critical accounting estimates*

i. The Company is from time to time involved in pending or threatened litigation relating to claims arising in the ordinary course of its business. The nature and progression of litigation can make it difficult to predict the impact a particular lawsuit or claim will have on the Company.

ii. Where the fair value of equity instruments cannot be derived from transactions in active markets, they are determined using appropriate valuation techniques for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. As at December 31, 2023, the Company's equity investment in Mogotes Metals Inc. is measured at fair value using Level 2 inputs since Mogotes Metals Inc. was a private Company.

iii. The Company has determined the option value of the agreement entered into with Sociedad de Sevicios Andino SpA ("SSA), see note 4(a), to be nominal. There is significant estimate and judgement involved in the valuation and assessment of the option agreement. An increase in capital value, particularly of New Golden Exploration Chile SpA ("NGE") would have a material impact on the fair value of the embedded option derivative.

*New and amended IFRS standards that are effective for the current period:*

Amendments to IAS 1, Classification of Liabilities as Current or Non-current (effective January 1, 2024) provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment did not have any impact on the Company's consolidated financial statements.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

*New Accounting Standards and Interpretations not yet effective*

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2024 and accordingly, they have not been applied in preparing these consolidated financial statements.

Amendments to IAS 21, Lack of Exchangeability (effective January 1, 2025) requires companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. The amendments respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies. The amendments will help companies and investors by addressing a matter not previously covered in the accounting requirements for the effects of changes in foreign exchange rates. These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and when it cannot, in determining the exchange rate to use and the disclosures to provide. This amendment is not expected to have any impact on the Company's consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

i. Three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.

ii. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

iii. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027, the Company is evaluating if this amendment will have any impact on the Company's consolidated financial statements.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 3. RIGHT-OF-USE ASSET

The Company capitalized two office lease arrangements in accordance with IFRS 16 that were not renewed and terminated prior to the contractual end dates. During the year ended December 31, 2024 the Company terminated its office lease, and entered into an office lease agreement on a month-to-month basis. The continuity schedule of right-of-use assets for the year ended December 31, 2024 is as follows:

| | **Total $** |
|---|---|
| **Cost** | |
| Balance at December 31, 2022 | 768,928 |
| Derecognition | (354,296) |
| Balance at December 31, 2023 | 414,632 |
| Derecognition | (414,632) |
| Balance at December 31, 2024 | - |
| | |
| **Accumulated Depreciation** | |
| Balance at December 31, 2022 | 353,992 |
| Depreciation | 118,460 |
| Derecognition | (227,329) |
| Balance at December 31, 2023 | 245,123 |
| Depreciation | 22,907 |
| Derecognition | (268,030) |
| Balance at December 31, 2024 | - |
| | |
| **Carrying Amount** | |
| **At December 31, 2023** | 169,509 |
| **At December 31, 2024** | - |

## 4. MINERAL PROPERTY INTERESTS

The schedules below summarize the carrying costs of acquisition costs and all exploration expenditures incurred to date for each mineral property interest as at December 31, 2024:

**Acquisition Costs**

| | **Chile** | **Argentina** | | |
|---|---|---|---|---|
| | **San Pietro $** | **Yanso $** | **Other $** | **Total $** |
| Balance – December 31, 2022 | 4,238,085 | - | 7,240 | 4,245,325 |
| Additions | | | | |
| Staking costs, land payments and acquisition costs | 6,065 | 6,437 | - | 12,502 |
| Balance – December 31, 2023 | 4,244,150 | 6,437 | 7,240 | 4,257,827 |
| Additions | | | | |
| Staking costs, land payments and acquisition costs | 176,554 | 1,317 | - | 177,871 |
| Balance – December 31, 2024 | 4,420,704 | 7,754 | 7,240 | 4,435,698 |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 4. MINERAL PROPERTY INTERESTS (continued)

**Exploration Expenditures**

| | Chile | Argentina | | |
|---|---|---|---|---|
| | San Pietro<br>$ | Yanso<br>$ | Other<br>$ | Total<br>$ |
| Cumulative exploration expenses December 31, 2023 | 3,627,064 | 1,611,662 | 18,258,402 | 23,497,128 |
| Expenditures during the year | | | | |
| Assays | 202,268 | - | - | 202,268 |
| Drilling | 3,591,597 | - | - | 3,591,597 |
| Environmental | - | 80 | 3,784 | 3,864 |
| Geophysics | 15,382 | 15,690 | 15,124 | 46,196 |
| Office | 32,796 | 159,230 | 61,140 | 253,166 |
| Property maintenance payments | 36,517 | - | 1,662 | 38,179 |
| Salaries and contractors | 1,080,168 | 424,323 | 28,727 | 1,533,218 |
| Supplies and equipment | 295,627 | 30,943 | 86,082 | 412,652 |
| Transportation | 55,293 | 20,969 | 18,395 | 94,657 |
| Value added taxes | 772,563 | 52,464 | 17,279 | 842,306 |
| | 6,082,211 | 703,699 | 232,193 | 7,018,103 |
| Cumulative exploration expenses December 31, 2024 | 9,709,275 | 2,315,361 | 18,490,595 | 30,515,231 |

The schedule below summarizes all exploration expenditures incurred to date for each mineral property interest that the Company was continuing to explore as at December 31, 2023:

| | Chile | | Argentina | | | |
|---|---|---|---|---|---|---|
| | San Pietro<br>$ | Rosales<br>$ | Yanso<br>$ | Espota<br>$ | Other<br>$ | Total<br>$ |
| Cumulative exploration expenses December 31, 2022 | 347,678 | 1,320,453 | 1,177,376 | - | 15,685,816 | 18,531,323 |
| Expenditures during the year | | | | | | |
| Assays | 55,780 | - | 34,860 | 24,143 | 22,875 | 137,658 |
| Drilling | 927,843 | - | - | - | - | 927,843 |
| Environmental | - | - | 8,016 | 3,076 | 12,613 | 23,705 |
| Geophysics | 70,967 | - | - | - | - | 70,967 |
| Office | 181,435 | - | 34,454 | 105,607 | 9,746 | 331,242 |
| Property maintenance payments | 204,759 | 9,234 | 8,743 | 51,486 | 25,549 | 299,771 |
| Salaries and contractors | 830,236 | - | 250,205 | 231,340 | 3,669 | 1,315,450 |
| Social and community | - | - | 700 | 2,624 | 175 | 3,499 |
| Supplies and equipment | 464,416 | - | 46,693 | 475,441 | 145,496 | 1,132,046 |
| Transportation | 208,506 | - | 23,971 | 24,176 | 522 | 257,175 |
| Value added taxes | 335,444 | 1,103 | 26,644 | 59,061 | 14,197 | 436,449 |
| | 3,279,386 | 10,337 | 434,286 | 976,954 | 234,842 | 4,935,805 |
| Cumulative exploration expenses December 31, 2023 | 3,627,064 | 1,330,790 | 1,611,662 | 976,954 | 15,950,658 | 23,467,128 |

## 4. MINERAL PROPERTY INTERESTS (continued)

(a) San Pietro, Atacama, Chile

On March 17, 2022, the Company purchased a 100% interest in the San Pietro Iron-oxide Copper Gold Project ("San Pietro Project") in Chile from Sumitomo Metal Mining Chile Ltda ("Sumitomo") for cash consideration of $4,238,085 (US$3,350,000). Teck Resources Chile Limitada holds a 5% net profit interest of the minerals coming from the San Pietro Project subject to relevant terms and conditions from a 2021 agreement with Sumitomo.

On January 18, 2024, the Company's subsidiary, New Golden Explorations Chile SpA ("NGE"), entered into an option agreement with SSA. Under the option agreement, NGE has granted SSA the option to subscribe for 333 new shares in the capital of NGE equivalent to approximately 25% of the issued and outstanding shares in exchange for the contribution of US$5,000,000 in the equivalent amount of Chilean pesos. This contribution includes US$2,000,000 in cash through six bimonthly installments of US$333,333 commencing on February 1, 2024, and SSA performing non-refundable drilling services, heavy machinery services, truck rental as well as any other goods or necessary services for the development of field activities on the San Pietro Project with an aggregate value of US$3,000,000 by July 2025. The Company received conditional approval of the transaction from the TSX-V on January 18, 2024.

The Company determined the conversion feature of the noted option agreement qualifies as a financial derivative and accordingly is initially measured at fair value and subsequently measured at FVTPL. The Company has determined that a significant capital value increase would be required to allocate value to the noted derivative and as a result has determined its value to be Nil. The option payments are considered to meet the fixed-for fixed criteria as they are recognized once received, and the option agreement is not considered to include a financial liability that would break fixed-for-fixed criteria in advance of receiving the option payments.

During the year ended December 31, 2024, the Company received US$2,000,000 in cash payments and US$2,954,620 in exploration services from SSA. The Company has classified the cash contributions and exploration services as an obligation to issues shares in equity. If exercised this would allow SSA to acquire 25% of NGE shares rather than a direct interest in San Pietro project, at which point NGE will issue shares and SSA's assumed 25% net liabilities of NGE will be recorded as non-controlling interest, with the difference between the obligation to issue shares and the carrying value of the non-controlling interest, recorded directly to deficit. See also Note 16.

(b) Mogote Project, Argentina

On May 4, 2022, the Company optioned its Mogote Copper-Gold project (the "Mogote Project") in San Juan Province, Argentina to Australian-based Syndicate Minerals Pty ("Syndicate"). The agreement gives Syndicate the option to earn an 85% interest in the Mogote Project. An initial 80% interest can be earned by spending $5 million on exploration at the Mogote Project over five years and making cash payments of $1.75 million over five years, including a payment on signing of $150,000. After completion of the option earn-in, Syndicate can complete a feasibility study to earn a further 5% interest. After that, the parties have agreed to form a joint venture company to advance the Mogote Project on a pro rata basis, with provisions for dilution. On April 14, 2023, the Company amended its agreement with Syndicate to accept 4,000,000 common shares with a fair value of $0.30 per share in Mogotes Metals Inc. ("MOG") in lieu of staged cash payments of $1,200,000. The fair value of the shares at inception was based on other equity transactions in Mogote. Under the terms of the agreement, in the event that MOG completed a going public transaction or issued its common shares at a lower share price, the Company was to receive additional shares such that the number received in April 2023 would still be the equivalent value of $1,200,000. On February 13, 2024, the Company received an additional 4,000,000 common shares in MOG to prevent dilution and maintain its $1,200,000 investment value (see also Notes 5 and 16).

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 4. MINERAL PROPERTY INTERESTS (continued)

| Option Payment US$ | Mogotes Metals Inc. Exploration Expenditure Commitments US$ | Year |
|---|---|---|
| 150,000 (received) | 300,000 (completed) | 2023 |
| 250,000 (received) | 500,000 (completed) | 2024 |
| 350,000 (received) | 1,000,000 (completed) | 2025 |
| 450,000 (received) | 1,500,000 (completed) | 2026 |
| 550,000 | 1,700,000 | 2027 |
| 1,750,000 | 5,000,000 | |

(c) Caballos Project, Argentina

During 2021, the Company entered into a definitive agreement (the "Agreement") to option its Caballos copper-gold project (the "Caballos Project") to Hanaq Argentina S.A. ("Hanaq"). The Agreement gives Hanaq the opportunity to earn a 70% interest in the Caballos Project by spending a minimum of US$0.5 million in exploration expenditures within two years, followed by US$3.5 million in exploration expenditures within six years that comes into effect following the receipt of exploration permits in October 2024. On completion of the option earn-in, the parties have agreed to form a joint venture company will be incorporated and owned 70% Hanaq and 30% by the Company's 100% owned Argentina subsidiary, Desarrollo de Recursos S.A., to advance the Caballos Project on a pro rata basis, with provisions for dilution.

(d) Yanso Project, Argentina

The Company owns a 100% interest in the Yanso gold project in eastern San Juan Province, Argentina.

(e) Espota Project, Argentina

During 2023, the Company entered into an option agreement to acquire 100% of Espota project for US$360,000 in cash payments over two years. An initial payment of US$25,000 was made but the Company opted to not make the next payment and relinquished the option.

## 5. INVESTMENTS

An analysis of investments including related gains and losses during the year is as follows:

| | **Year ended December 31,** | |
|---|---|---|
| | **2024 $** | **2023 $** |
| Investments, beginning of year | 1,200,000 | 5,623,720 |
| Fair value of marketable securities received | 600,000 | 1,200,000 |
| Disposition of marketable securities | - | (5,504,839) |
| Change in fair value of marketable securities | (760,000) | (118,881) |
| Investments, end of year | 1,040,000 | 1,200,000 |

## 5. INVESTMENTS (continued)

During the year ended December 31, 2023, the Company received 4,000,000 common shares of MOG with a fair value of $0.30 per common share for income of $1,200,000. During the year ended December 31, 2024, the Company received another 4,000,000 common shares in MOG to prevent dilution and maintain its $1,200,000 investments value as per the terms of the agreement which resulted in income of $600,000. The Company held 8,000,000 common shares of MOG at December 31, 2024 with a fair value of $1,040,000, or $0.13 per common share (December 31, 2023 - $1,200,000, or $0.30 per common share). The Company realized a cumulative gain of $Nil in other comprehensive income (loss) on disposal of marketable securities for the year ended December 31, 2024 (December 31, 2023 – $483,048). During the year ended December 31, 2024, the Company received $Nil (2023 - $24,338) in dividends from its investment in SSRM. See also Note 16.

## 6. CAPITAL AND RESERVES

*Authorized Share Capital*

At December 31, 2024, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

*Details of Issues of Common Shares in 2024*

On December 24, 2024, the Company completed the third and final tranche of a non-brokered private placement announced on November 12, 2024, consisting of 5,000,000 units at a price of $0.05 per unit for gross proceeds of $250,000. Each unit consists of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.08 per warrant for a period of three years from the date of issue. Finder's fees paid were $14,700 in cash and 294,000 non-transferable warrants exercisable into common shares at $0.05 per share for three years from the date of issue with a fair value of $8,063. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.01%; expected stock price volatility – 99.79%; dividend yield – 0%; and expected warrant life – 3 years.

On December 2, 2024, the Company completed the second tranche of a non-brokered private placement announced on November 12, 2024, consisting of 1,800,000 units at a price of $0.05 per unit for gross proceeds of $90,000. Each unit consists of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.08 per warrant for a period of three years from the date of issue. Finder's fees paid were $6,650 in cash and 133,000 non-transferable warrants exercisable into common shares at $0.05 per share for three years from the date of issue with a fair value of $3,570. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.03%; expected stock price volatility – 97.10%; dividend yield – 0%; and expected warrant life – 3 years.

On November 22, 2024, the Company completed the first tranche of the non-brokered private placement announced on November 12, 2024, consisting of 8,850,000 units at a price of $0.05 per unit for gross proceeds of $442,500. Each unit consists of one common share in the capital of the Company and one transferable common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at an exercise price of $0.08 per warrant for a period of three years from the date of issue. Finder's fees paid were $1,400 in cash and 28,000 non-transferable warrants exercisable into common shares at $0.05 per share for three years from the date of issue with a fair value of $753. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.35%; expected stock price volatility – 96.87%; dividend yield – 0%; and expected warrant life – 3 years.

## 6. CAPITAL AND RESERVES (continued)

On March 15, 2024, the Company completed the second and final tranche of a non-brokered private placement announced on January 19, 2024, and subsequently increased on February 6, 2024. The Company issued 1,000,000 units in this tranche at a price of $0.05 per unit for gross proceeds of $50,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.10 per share for three years from the date of issue. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.28%; expected stock price volatility – 75.20%; dividend yield – 0%; and expected warrant life – 3 years.

On February 6, 2024, the Company completed the first tranche of a non-brokered private placement announced on January 19, 2024, and subsequently increased on February 6, 2024. The Company issued 16,890,000 units in this tranche at a price of $0.05 per unit for gross proceeds of $844,500. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.10 per share for three years from the date of issue. Finder's fees paid were $23,940 cash and 478,800 non-transferable warrants exercisable into common shares at $0.10 for three years from the date of issue with a fair value of $9,838. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.21%; expected stock price volatility – 68.56%; dividend yield – 0%; and expected warrant life – 3 years.

*Details of Issues of Common Shares in 2023*

On September 26, 2023, the Company completed a non-brokered private placement announced on September 13, 2023, and subsequently closed on October 27, 2023. The Company issued 11,709,357 units in this tranche at a price of $0.07 per unit for gross proceeds of $819,655. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at $0.15 per share for three years from the date of issue. Finder's fees paid were $23,878 cash and 341,110 non-transferable warrants exercisable into common shares at $0.15 for three years from the date of issue with a fair value of $4,182. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.88%; expected stock price volatility – 61.32%; dividend yield – 0%; and expected warrant life – 2.32 years.

*Share Purchase Option Compensation Plan*

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of ten years.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 6. CAPITAL AND RESERVES (continued)

The continuity of share purchase options for the year ended December 31, 2024 is as follows:

| Expiry date | Exercise Price | December 31, 2023 | Granted | Cancelled/ Expired | December 31, 2024 | Options exercisable |
|---|---|---|---|---|---|---|
| January 19, 2026 | $0.25 | 4,305,000 | - | - | 4,305,000 | 4,305,000 |
| July 13, 2028 | $0.10 | 6,950,000 | - | - | 6,950,000 | 6,950,000 |
| | | 11,255,000 | - | - | 11,255,000 | 11,255,000 |
| Weighted average exercise price $ | | 0.16 | - | - | 0.16 | 0.16 |
| Weighted average contractual remaining life (years) | | 3.59 | - | - | 2.59 | 2.59 |

The continuity of share purchase options for the year ended December 31, 2023 is as follows:

| Expiry date | Exercise Price | December 31, 2022 | Granted | Cancelled/ Expired | December 31, 2023 | Options exercisable |
|---|---|---|---|---|---|---|
| January 9, 2023 | $0.70 | 1,800,000 | - | (1,800,000) | - | - |
| January 19, 2026 | $0.25 | 4,455,000 | - | (150,000) | 4,305,000 | 4,305,000 |
| July 13, 2028 | $0.10 | - | 6,950,000 | - | 6,950,000 | 6,950,000 |
| | | 6,255,000 | 6,950,000 | (1,950,000) | 11,255,000 | 11,255,000 |
| Weighted average exercise price $ | | 0.38 | 0.10 | 0.67 | 0.16 | 0.16 |
| Weighted average contractual remaining life (years) | | 2.18 | 5.00 | - | 3.59 | 3.59 |

The weighted average fair value of share purchase options granted during the year ended December 31, 2024 is $Nil per share purchase option (2023 - $0.04).

Share purchase options were fair valued based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

| | Year ended December 31, | |
|---|---|---|
| | 2024 | 2023 |
| Risk-free interest rate | - | 4.53% |
| Expected option life in years | - | 3.59 |
| Expected share price volatility(1) | - | 61.34% |
| Grant date share price | - | $0.09 |
| Expected forfeiture rate | - | - |
| Expected dividend yield | - | Nil |

(1) Expected volatility was estimated based on historical trading price.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 6. CAPITAL AND RESERVES (continued)

*Warrants*

The continuity of warrants for the year ended December 31, 2024 is as follows:

| Expiry date | Exercise Price | December 31, 2023 | Granted | Expired | December 31, 2024 |
|---|---|---|---|---|---|
| February 25, 2024 | $0.40 | 11,051,611 | - | (11,051,611) | - |
| March 5, 2024 | $0.40 | 1,290,367 | - | (1,290,367) | - |
| March 21, 2024 | $0.40 | 3,462,034 | - | (3,462,034) | - |
| June 19, 2024 | $0.30 | 4,062,500 | - | (4,062,500) | - |
| June 20, 2024 | $0.30 | 1,950,000 | - | (1,950,000) | - |
| September 26, 2026 | $0.15 | 12,050,467 | - | - | 12,050,467 |
| February 6, 2027 | $0.10 | - | 17,368,800 | - | 17,368,800 |
| March 15, 2027 | $0.10 | - | 1,000,000 | - | 1,000,000 |
| November 22, 2027 | $0.08 | - | 8,850,000 | - | 8,850,000 |
| November 22, 2027 | $0.05 | - | 28,000 | - | 28,000 |
| December 2, 2027 | $0.08 | - | 1,800,000 | - | 1,800,000 |
| December 2, 2027 | $0.05 | - | 133,000 | - | 133,000 |
| December 24, 2027 | $0.08 | - | 5,000,000 | - | 5,000,000 |
| December 24, 2027 | $0.05 | - | 294,000 | - | 294,000 |
| | | 33,866,979 | 34,473,800 | (21,816,512) | 46,524,267 |
| Weighted average exercise price $ | | 0.29 | 0.09 | 0.37 | 0.11 |

The continuity of warrants for the year ended December 31, 2023 is as follows:

| Expiry date | Exercise Price | December 31, 2022 | Granted | December 31, 2023 |
|---|---|---|---|---|
| February 25, 2024 | $0.40 | 11,051,611 | - | 11,051,611 |
| March 5, 2024 | $0.40 | 1,290,367 | - | 1,290,367 |
| March 21, 2024 | $0.40 | 3,462,034 | - | 3,462,034 |
| June 19, 2024 | $0.30 | 4,062,500 | - | 4,062,500 |
| June 20, 2024 | $0.30 | 1,950,000 | - | 1,950,000 |
| September 26, 2026 | $0.15 | - | 12,050,467 | 12,050,467 |
| | | 21,816,512 | 12,050,467 | 33,866,979 |
| Weighted average exercise price $ | | 0.37 | 0.15 | 0.29 |

## 7. RELATED PARTY BALANCES AND TRANSACTIONS

On June 1, 2017, the Company entered into a Management Services Agreement with Grosso Group to provide services and facilities to the Company. Grosso Group is a private company that is owned by Joseph Grosso, an officer and director of the Company and also has another director in common with the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. This fee is reviewed and adjusted quarterly based on the level of services required.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Management Services Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000. The agreement expires on December 31, 2025 and is automatically renewed for additional terms of two years unless otherwise terminated pursuant to the terms of the agreement.

| | Year ended December 31, | |
|---|---|---|
| **Transactions** | **2024** **$** | **2023** **$** |
| Services rendered: | | |
| Grosso Group Management Ltd. | | |
| Administration and management services | 90,000 | 319,100 |
| Office & sundry | 10,800 | 53,500 |
| Total for services rendered | 100,800 | 372,600 |

### Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO, and Vice President of Corporate Development.

| | | Year ended December 31, | |
|---|---|---|---|
| **Transactions** | **Position** | **2024** **$** | **2023** **$** |
| Share-based compensation | | - | 284,276 |
| Salaries and employee benefits, and professional fees: | | | |
| Joseph Grosso | Chairman/President/CEO | 323,775 | 305,945 |
| Darren Urquhart | CFO | 33,290 | 60,320 |
| Nikolaos Cacos | Director/VP – Corp. Development | 134,512 | 121,767 |
| Brian McEwen | VP Exploration | 223,704 | 226,897 |
| Pompeyo Gallardo | VP | 12,000 | - |
| David Terry | Director | 88,000 | 73,000 |
| John Gammon | Director | 12,000 | 12,000 |
| Alfred Hills | Director | - | 5,750 |
| Total for services rendered | | 827,281 | 1,089,955 |

As at December 31, 2024, there was $106,481 (2023 – $501,327) in amounts receivable for costs owed from related corporations Argentina Lithium and Energy Corp., and Blue Sky Uranium Corp., with common directors, Joseph Grosso, Nikolaos Cacos, David Terry, and John Gammon, for shared services paid by the Company. At December 31, 2024, there was $564,317 (2023 - $186,709) in accounts payable and accrued liabilities that was due to related corporations Grosso Group Management Ltd., and Oxbow International Marketing Corp., that are owned by Joseph Grosso.

## 8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2024 and 2023 was based on the following:

| | Year ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Loss attributable to common shareholders ($) | (8,366,453) | (5,818,037) |
| Weighted average number of common shares outstanding | 144,127,142 | 118,279,041 |

The Company incurred a loss attributable to common shareholders for the year ended December 31, 2024 and 2023, therefore the impact of dilutive securities is anti-dilutive.

## 9. MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss. The subsequent disposition of these marketable securities in exchange for Argentine pesos gave rise to a gain as the amount received in Argentine peso exceeds the amount of Argentine peso the Company would have received from a direct foreign currency exchange.

As a result of having utilized this mechanism for intragroup funding for the year ended December 31, 2024, the Company realized a gain of $159,762 (December 31, 2023 – $931,908) from the favorable foreign currency impact.

## 10. COMMITMENTS

*Management Services Agreement*

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $20,000 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

| | Year 1<br>$ | Year 2<br>$ | Year 3<br>$ |
|---|---|---|---|
| Management Services Agreement | 240,000 | - | - |

## 10. COMMITMENTS (continued)

The Company has a consulting agreement with its Chairman of the Board, CEO and President (the "Chairman Agreement"). The termination provisions of the Chairman Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Chairman would receive an amount equal to 24 months' compensation. As of December 31, 2024, the Company would have to pay $647,550 to the Chairman in the event of termination without cause or a change of control.

The Company has a consulting agreement with its CFO (the "CFO Agreement"). The termination provisions of the CFO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CFO would receive an amount equal to 24 months' compensation. As of December 31, 2024, the Company would have to pay $66,579 to the CFO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Director and Vice President, Corporate Development. The termination provisions of the agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Director would receive an amount equal to 24 months' compensation. As of December 31, 2024, the Company would have to pay $282,568 to the Director in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Vice President, Exploration and Development. The termination provisions of the agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the VP, Exploration and Development would receive an amount equal to 12 months' compensation. As of December 31, 2024, the Company would have to pay $223,699 to the VP, Exploration and Development in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Corporate Secretary (the "Corporate Secretary Agreement"). The termination provisions of the Corporate Secretary Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Corporate Secretary would receive an amount equal to 24 months' compensation. As of December 31, 2024, the Company would have to pay $79,895 to the Corporate Secretary in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Controller (the "Controller Agreement"). The termination provisions of the Controller Agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Controller would receive an amount equal to 12 months' compensation. As of December 31, 2024, the Company would have to pay $10,468 to the Controller in the event of termination without cause or a change of control.

## 11. CONTINGENCY

A former employee and former consultant to the Company is claiming to be owed severance in Argentina. The Company believes the amount of severance being claimed by the former employee and former consultant is excessive and is disputing the amount. The actual amount of severance is still being negotiated and may be material to the Company.

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 12. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and development. The Company's total non-current assets are segmented geographically as follows:

| | December 31, 2024 | | | |
|---|---|---|---|---|
| | **Canada** $ | **Argentina** $ | **Chile** $ | **Total** $ |
| Investments | 1,040,000 | - | - | 1,040,000 |
| Mineral property interests ($) | - | 14,994 | 4,420,704 | 4,435,698 |
| | 1,040,000 | 14,994 | 4,420,704 | 5,475,698 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| | **Canada** $ | **Argentina** $ | **Chile** $ | **Total** $ |
| Investments | 1,200,000 | - | - | 1,200,000 |
| Right-of-use assets | 169,509 | - | - | 169,509 |
| Mineral property interests ($) | - | 13,677 | 4,244,150 | 4,257,827 |
| | 1,369,509 | 13,677 | 4,244,150 | 5,627,336 |

## 13. INCOME TAXES

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax due to the following:

| | **2024** | **2023** |
|---|---|---|
| Statutory tax rate | 27.00% | 27.00% |
| | **$** | **$** |
| Loss before income taxes | (8,366,453) | (5,818,037) |
| Income tax recovery at statutory rates | (2,258,942) | (1,570,870) |
| Permanent differences | (3,791) | 71,685 |
| Rate differential and other | (634,779) | 4,517 |
| Foreign exchange movement | 116,782 | 797,483 |
| Change in unrecognized tax benefits | 2,780,730 | 697,185 |
| Income tax recovery | - | - |

**Temporary Differences Not Recognized**

The Company has unrecognized deductible temporary differences aggregating $45,668,000 (2023 - $42,945,000), noted below that are available to offset future taxable income. The potential benefit of these deductible temporary differences has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the temporary differences to be recovered.

| | December 31, 2024 | Expiry dates | December 31, 2023 |
|---|---|---|---|
| Non-capital losses | 38,658,000 | 2025 – 2044 | 34,210,000 |
| Resource deductions | 1,592,000 | No expiry | 1,592,000 |
| Foreign exchange | 3,708,000 | No expiry | 7,124,000 |
| Financing costs | 52,000 | 2025-2028 | 19,000 |
| Total | 44,010,000 | | 42,945,000 |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 13. INCOME TAXES (continued)

The Company has Canadian non-capital loss carryforwards of $20,982,257 (2023 - $24,106,779) that may be available for tax purposes. The Company's non-capital losses expire in 2037 to 2044.

The Company has Argentinian non-capital loss carryforwards of $5,564,665 (2023 - $2,018,060) that may be available for tax purposes. The Company's non-capital losses expire in 2025 to 2029.

The Company has Chilean non-capital loss carryforwards of $12,520,108 (2023 - $6,893,991) that may be available for tax purposes.

## 14. FINANCIAL INSTRUMENTS

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

**(a) Fair Values**

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial assets and liabilities consist of cash and cash equivalents, amounts receivable, investments, marketable securities, and accounts payable and accrued liabilities. The Company's investment in MOG (see also Notes 4(b) and 5) is carried at fair value using level 1 inputs at December 31, 2024 (level 2 inputs at December 31, 2023, from private placements of shares and the terms of its agreement with MOG) with any gains or losses recognized in other comprehensive income.

At December 31, 2024, the Company's financial instruments measured at fair value are as follows:

| | $ | Level 1<br>$ | Level 2<br>$ | Level 3<br>$ |
|---|---|---|---|---|
| | Carrying amount<br>December 31, 2024 | Fair value<br>December 31, 2024 | | |
| **Recurring measurements** | | | | |
| Financial Assets | | | | |
| Investments | 1,040,000 | 1,040,000 | - | - |

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

## 14. FINANCIAL INSTRUMENTS (continued)

At December 31, 2023, the Company's financial instruments measured at fair value are as follows:

| | $ Carrying amount December 31, 2023 | Level 1 $ | Level 2 $ | Level 3 $ |
|---|---|---|---|---|
| | | Fair value December 31, 2023 | | |
| **Recurring measurements** | | | | |
| Financial Assets | | | | |
| Investments | 1,200,000 | - | 1,200,000 | - |

**(b) Financial Instrument Risk Exposure**

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and investments. The Company has reduced its credit risk by depositing its cash and investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and the Company's overall credit risk has not changed significantly from the prior year.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants, and sale of marketing securities to fund exploration programs and may require doing so again in the future.

As of December 31, 2024, the Company had a negative working capital of $6,506 (December 31, 2023 – working capital of $80,915). Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. See also Note 1.

| | **1 Year $** | **2 Years and more $** |
|---|---|---|
| Accounts payable and accrued liabilities | 1,249,921 | - |

***Market risk***

***(i) Price risk***

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market prices. Investments in marketable securities measured at fair value are exposed to changes in share prices that would result in gains or losses recognized in the Company's other comprehensive income. A 10% change in prices would change the Company's other comprehensive loss by $104,000.

## 14. FINANCIAL INSTRUMENTS (continued)

(ii) ***Currency risk***

Financial instruments that impact the Company's net earnings due to currency fluctuations include: cash, and cash equivalents, and accounts payable and accrued liabilities all denominated in United States dollars, Chilean pesos, and Argentinean pesos. A 10% change in US dollar, Chilean Peso, and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by $4,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $500.
- A 10% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by $51,000.

***(iii) Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears no interest and short-term investments are redeemable at any time without penalty, with interest paid from the date of purchase. The fair value of cash approximates their carrying values due to the immediate or short-term maturity of these financial instruments. Effect of the change in interest rate is not material.

## 15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- Pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, the Company include in our assessment the components of shareholders' equity and loans. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company is dependent upon the ability to raise additional funding to meet its obligations and commitments. See also Note 1.

## 16. SUBSEQUENT EVENTS

*Amending Agreement with MOG*

On February 10, 2025, the Company and MOG agreed to amend their agreement (the "Amending Agreement", see also Notes 4(b) and 5). The Amending Agreement grants MOG an option to acquire a 100% interest in the Mogote Project (the "Amended Option") in exchange for $1 million in a combination of cash and a private placement into the Company, an increased equity interest in MOG and a 1.5% net smelter returns royalty ("NSR") on the Mogote Project.

## 16. SUBSEQUENT EVENTS (continued)

To exercise the Amended Option:

- MOG will pay $550,000 in cash to the Company on the date (the "Initial Closing Date") that is five days following the TSX-V conditional approval of the transactions contemplated by the Amending Agreement (together, the "Transaction");

- MOG shall purchase such number of units of Company (each, a "Unit") on the Initial Closing Date through an investment of $450,000 in the Company by way of a private placement financing at a price equal to the greater of (i) $0.05 per Unit and (ii) the maximum discounted price for the Units acceptable under the rules and policies of the TSX-V, with each Unit consisting of one common share in the capital of Company (each, a "Share") and one warrant of the Company (each, a "Warrant") for gross proceeds of $450,000. Each Warrant will entitle the holder to purchase one Share (each, a "Warrant Share") at an exercise price of $0.08 per Warrant Share for a period of three years from the date of issuance (the "Private Placement");

- MOG will issue common shares of MOG (each, an "Option Share") to the Company as follows:

    - 10,714,285 Option Shares on the Initial Closing Date; and

    - such number of additional Option Shares (the "Deferred Option Shares") having a value of $1,500,000 (the "Final Amount") to be issued on or before the first anniversary of the Initial Closing Date (such date being, the "Final Closing Date") determined in accordance with the Amending Agreement, provided that, MOG may satisfy this obligation by paying the Final Amount in cash to the Company on the Final Closing Date, in lieu of the Deferred Option Shares; and

- MOG will grant to the Company on the Final Closing Date a 1.5% net smelter returns royalty in respect of the Project.

Pursuant to the Amending Agreement, the Company agrees not to transfer the Option Shares (the "Lock-up"), without the prior consent of MOG, until such shares are released in accordance with the following schedule:

- on the date that is six months following the Final Closing Date, fifty percent (50%) of the Option Shares will be released from the Lock-up; and

- the remaining fifty percent (50%) of the Option Shares will be released from the Lock-up in equal monthly installments over the subsequent six-month period, such that all Option Shares will be fully released from the Lock-up on the 12-month anniversary of the Final Closing Date.

In the event MOG does not issue the Deferred Option Shares (or pay the Final Amount in cash) to the Company by the first anniversary of the Initial Closing Date (the "Option Deadline"), and provided MOG has satisfied its other obligations under the Amending Agreement, MOG will acquire an 80% interest in the Project as of the Option Deadline and the terms of the previously announced earn-in agreement will otherwise remain in effect.

Completion of the Transaction, including the Private Placement and the issuance of the Option Shares by MOG, is subject to the approval of the TSX-V.

## 16. SUBSEQUENT EVENTS (continued)

*Sale of Investments*

The Company sold 4,462,000 common shares of MOG at an average price of $0.14 per share for net proceeds of $624,507 (see also Notes 4(b) and 5).

*San Pietro Project*

SSA has exercised the option to acquire 333 shares in the Capital of New Golden Explorations Chile SpA, equivalent to 25% of the issued and outstanding shares. The shares are not convertible or otherwise exchangeable for common shares of the Company. Completion of the share issuance is subject to the final approval of the TSX-V.