CONQUEST RESOURCES LIMITED

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

To the Shareholders of
Conquest Resources Limited,

Opinion
We have audited the financial statements of Conquest Resources Limited, which comprise the statement of financial position as at December 31, 2024 and 2023, and the statement of operations and comprehensive loss, statement of changes in equity and statement of cash flows as at and for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We have determined that there were no key audit matters to communicate in our report.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 to these financial statements, which indicates that as at December 31, 2024 the Company has an accumulated deficit and expects to incur further losses in the development of its business. Note 1 also describes that the Company's ability to fund future operations and exploration activities is dependent upon its ability to obtain external financing. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information is comprised of the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 executive on the audit resulting in this Independent Auditor's Report is Marco F. Simone.

April 28, 2025

Simone + Company.

CONQUEST RESOURCES LIMITED
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2024
(Expressed in Canadian dollars)

	Notes	December 31 2024 $	December 31 2023 $
ASSETS			
Current			
Cash and cash equivalents		689,748	1,016,428
Marketable securities	4	254,800	452,600
Amounts receivable	5	94,039	19,259
Prepaid expense		13,080	13,080
		1,051,667	1,501,367
Non-current			
Marketable securities	4	25,200	167,400
Total assets		1,076,867	1,668,767
LIABILITIES			
Current			
Amounts payable and accrued liabilities	6	101,023	48,143
Contract liability	8	47,743	-
Total liabilities		148,766	48,143
SHAREHOLDERS' EQUITY			
Capital stock	9	24,012,178	24,012,178
Share-based payment reserve	10	957,402	1,028,453
Deficit		(24,041,479)	(23,420,007)
Total shareholders' equity		928,101	1,620,624
Total liabilities and shareholders' equity		1,076,867	1,668,767

Nature of operations (Note 1)
Commitments and contingencies (Notes 1, 7 and 12)

The financial statements were approved by the Board of Directors on April 28, 2025 and signed on its behalf by:

Signed "John F. Kearney" , Director

Signed "Tom Obradovich" , Director

See accompanying notes to the financial statements

CONQUEST RESOURCES LIMITED
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
Expressed in Canadian dollars

	Notes	2024 $	2023 $
Expenses			
Acquisition, exploration and evaluation expenses (recovery)	7	731,215	(646,825)
Share-based payment	10	136,189	18,078
Professional fees	11	281,257	275,983
Corporate expenses		37,645	46,501
Office and general		24,368	36,068
Loss before other items		1,210,674	(270,195)
Other items			
Other income	8	(682,806)	-
Interest income		(39,156)	(43,424)
Change in fair value of marketable securities	4	340,000	(123,000)
Net loss (income) and comprehensive loss (income) for the year		828,712	(436,619)
Net loss (income) per common share			
- Basic and diluted		0.006	(0.003)
Weighted average common share outstanding			
- Basic and diluted		135,477,106	135,364,777

See accompanying notes to the financial statements

CONQUEST RESOURCES LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian dollars)

	Number of Common Shares (Note 8)	Capital Stock $	Share-Based Payment Reserve $	Deficit $	Total $
Balance January 1, 2023	135,277,106	24,002,178	1,010,375	(23,856,626)	1,155,927
Shares issued to acquire mineral rights	200,000	10,000		-	10,000
Income for the period	-	-	-	(275,983)	(275,983)
Balance December 31, 2023	135,477,106	24,012,178	1,010,375	(24,132,609)	889,944
Balance January 1, 2024	135,477,106	24,012,178	1,028,453	(23,420,007)	1,620,624
Stock options issued	-	-	136,189	-	136,189
Stock options expired	-	-	(207,240)	207,240	-
Loss for the period	-	-	-	(828,712)	(828,712)
Balance December 31, 2024	135,477,106	24,012,178	957,402	(24,041,479)	928,101

See accompanying notes to the financial statements

CONQUEST RESOURCES LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian dollars)

	2024	2023
	$	$
Cash flows from operating activities		
Net income/(loss) for the year	(828,712)	436,619
Expenses recovered through VerAI drilling financing	(682,806)	-
Share-based payments	136,189	18,078
Non-cash acquisition, exploration and evaluation expenditure	-	10,000
Marketable securities received from property options	-	(497,000)
Change in fair value of marketable securities	340,000	(123,000)
	(1,035,329)	(155,303)
Movements in working capital		
Decrease/(increase) in amounts receivable and prepaid expenses	(74,780)	1,038
Increase/(decrease) in accounts payable and accrued liabilities	52,880	(18,101)
Net cash used in operating activities	(1,057,229)	(172,366)
Cash flows from financing activities		
Proceeds from VerAI drilling financing	730,549	-
Net cash received from financing activities	730,549	-
Change in cash and cash equivalents	(326,680)	(172,366)
Cash and cash equivalents, beginning of year	1,016,428	1,188,794
Cash and cash equivalents, end of year	689,748	1,016,428
Supplemental information:		
Shares issued to acquire mineral rights	-	10,000

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS

Conquest Resources Limited (the “Company” or “Conquest”) has interests in exploration and evaluation properties located in northern Ontario. Substantially all of the Company's efforts are devoted to acquiring, exploring and developing these properties. Conquest is a public company listed on the TSX Venture Exchange (“TSX-V”) and trades under the symbol “CQR.V”. The Company’s head office is located at 55 University Ave, Suite 1805, Toronto, Ontario, M5J 2H7.

There has been no determination whether the Company’s interests in its properties contain mineral resources which are economically recoverable. Major expenditures are required to locate and establish mineral deposits, to develop metallurgical processes and to construct mining and processing facilities. The Company’s continued existence is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. The Company’s exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration and mining activities, the Company is required to hold certain permits. There is no assurance that the Company’s existing permits will be renewed or that new permits that have been applied for will be granted. The Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, however, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company’s properties may also be subject to increases in taxes and royalties, renegotiating contracts, and political uncertainty.

At December 31, 2024, the Company had not achieved profitable operations, had an accumulated deficit since inception and expects to incur further losses in the development of its business. These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next fiscal year at the minimum. The Company continues to evaluate its estimates and assumptions based on its historical performance and other factors including expectations of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PREPARATION

These financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The policies set out below were consistently applied to all the periods presented, unless otherwise noted.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These financial statements have been prepared at historical cost or fair value as required under IFRS. In addition, these financial statements have been prepared using the accrual basis of accounting, except cash flow information.

These financial statements were approved by the Board of Directors on April 28, 2025.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Acquisition, exploration, and evaluation expenditures

Costs incurred to acquire mineral properties, rights and claims together with exploration and evaluation costs are expensed as incurred and included in the statement of operations until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine will be capitalized to mineral properties. Exploration costs include an allocation of administration and salary costs (including share-based payments) as determined by management, where they directly relate to specific projects.

The Company may occasionally enter into transfer-out arrangements, whereby the Company transfers part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures that would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transferee on its behalf. Any cash consideration received from the agreement is recorded to reduce the amount of acquisition, exploration and evaluation expenses reported in the statement of operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Rehabilitation provisions

The Company will record a liability for the estimated future costs associated with legal and constructive obligations relating to the reclamation and closure of its exploration assets. This amount will be initially recorded at its discounted present value with subsequent annual recognition of an accretion expense on the discounted liability. Management is currently not aware of any existing significant legal or constructive obligations relating to the reclamation of its mineral property interests, therefore no such liability is recorded at December 31, 2024 and 2023.

(c) Impairment of non-financial assets

At the end of each reporting period, non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Any impairment is recognized in operations.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having original terms to maturity of 90 days or less when acquired or are callable at any time without penalty.

(e) Financial instruments

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss ("FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of operations. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statements of operations. The Company measures its marketable securities at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive loss in the statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive loss and is not reclassified to profit or loss. Dividends from such investments are recognized in other income in the statements of operations when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments (continued)

Impairment of financial assets
The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has no financial assets subject to impairment at December 31, 2024 and 2023.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statements of operations.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of operations.

(f) Flow-through financing
From time-to-time, the Company finances a portion of its project exploration activity through the issuance of flow-through shares.

Under the terms of the flow-through share issues, the tax attributes of the related expenditures are renounced to investors and deferred income tax expense and income tax liabilities are increased by the estimated income tax benefits renounced by the Company to the investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the closing market price of the Company's shares is allocated to liabilities as share premium liability. The share premium liability is reduced pro-rata based on the percentage of flow-through expenditures renounced in comparison to renunciations required under the terms of the flow-through share agreement. The reduction to the premium liability in the period of renunciation is recognized through profit or loss.

Where the Company has unused tax benefits on loss carry forwards and tax pools in excess of book value available for deduction which have not been previously accounted for as deferred tax assets, the Company records a deferred tax asset to offset the increase in deferred tax liabilities resulting in an offsetting recovery of deferred income taxes being recognized through profit or loss in the reporting period.

(g) Share-based payments
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The Company records these compensation costs using the fair value method of accounting for share-based payments. The fair value of stock options is determined using the Black-Scholes option pricing model. The fair value of the options is recognized over the vesting period as share-based payments expense and share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

When options are exercised, the proceeds received, together with any related amount in share-based payment reserve, is credited to capital stock. On expiry, any related amount in share-based payment or warrant reserve is credited to deficit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies above, management has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations), which are dealt with below:

Key sources of estimation uncertainty
Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty are discussed below:

Mineral resource estimates
Mineral resources are estimated in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves, Definitions and Guidelines and disclosed in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects" issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

Share-based payments
Estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company makes estimates as to the volatility of its shares, the probable life of the options granted and the time of exercise of those options. The model used by the Company is the Black-Scholes valuation model.

Income, sales, withholding and other taxes
The Company is subject to income, sales, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, sales, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Contingencies
See note 11.

Estimation of rehabilitation provisions and asset retirement obligations and the timing of expenditure
The estimated future costs associated with legal and constructive obligations relating to the reclamation, rehabilitation and closure of exploration assets are updated annually during the life of a project to reflect known developments, (e.g., revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is estimated based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding. Diluted loss per share assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss per share. As a result, all outstanding convertible securities during the years ended December 31, 2024 and 2023 have been excluded from diluted loss per share.

(k) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) New and amended standards and interpretations issued and effective

In January 2020, the IASB issued narrow scope amendments to IAS 1. The narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the Company or events after the reporting date. The amendments are effective for annual periods beginning on or after January 1, 2024, and are applied retrospectively. The Company adopted the amendments effective January 1, 2024.

In October 2022, the IASB issued Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify that covenants to be complied with after the reporting date for an entity's right to defer settlement of a liability do not affect the classification of the liability as current or non-current at the reporting date. These amendments aim to improve information an entity provides with regards to non-current liabilities with covenants through additional disclosures. These amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early adoption permitted. The Company adopted the amendments effective January 1, 2024.

There was no impact resulting from the adoption of these standards to the financial statements.

(m) New standards and interpretations not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing after January 1, 2024. Many are neither applicable nor have a material impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB published IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial statements. IFRS 18 – Presentation and Disclosure in Financial Statements is effective for annual reporting periods beginning on or after January 1, 2027 with retrospective application required.

There are other new accounting standards and interpretations that have been issued that are not mandatory for reporting periods ending December 31, 2023 and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Expressed in Canadian dollars

4. MARKETABLE SECURITIES

On March 30, 2023, Atha Energy Corp. ("Atha") issued 200,000 of its common shares (the "Atha Shares") to the Company as a partial consideration pursuant to the July 19, 2022 Option Agreement with the Company to acquire an undivided interest in four mineral leases representing a portion of the Golden Rose Property (note 7). Atha received the approval to list its common shares on the Canadian Securities Exchange (the "CSE") in March 2023 and its shares began trading on the CSE on April 11, 2023.

At inception, the fair value of the Atha Shares held by the Company were measured at their market value of $1.00 per share, for a total value of $200,000. The fair value was determined based on Atha's equity financing completed on March 30, 2023, when over 33 million subscription receipts it issued in late 2022 were exchanged into common shares at a cost of $1.00 per share.

On November 15, 2023, the Company received a second tranche of 300,000 Atha Shares pursuant to the Option Agreement valued at $0.99/share, for a total amount of $297,000 at the date of issuance. The second tranche of Atha Shares are subject to various trade restriction periods expiring between 2024 and 2026.

At December 31, 2024, the Company held 500,000 (2023 – 500,000) Atha Shares with a quoted market value of $280,000 (2023 – $620,000), of which 45,000 (2023 – 135,000) shares with a fair value of $25,200 (2023 –$167,400) are subject to trade restriction periods beyond 2025 and have been classified as non-current assets.

An unrealized valuation loss in the amount of $340,000 (2023 – gain of $123,000) was recorded on the statement of operations for the year ended December 31, 2024.

5. AMOUNTS RECEIVABLE

	December 31 2024 $	December 31 2023 $
HST recoverable	81,230	10,236
Accrued interest on short term cash deposit	10,137	6,351
Other receivable	2,672	2,672
	94,039	19,259

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2024 $	December 31 2023 $
Trade payables	61,159	9,370
Payable to related parties (Note 11)	21,864	21,373
Accrued liabilities	18,000	17,400
Total amounts payable and accrued liabilities	101,023	48,143

Expressed in Canadian dollars

7. MINERAL PROPERTIES – EXPLORATION AND EVALUATION EXPENDITURES

The following table shows the Company's cumulative exploration and evaluation expenditures which have been expensed according to the Company's accounting policy:

	December 31 2024 $	Additions 2024 $	December 31, 2023 $	Additions 2023 $	December 31, 2022 $
Belfast-TeckMag	9,348,353	719,378	8,628,975	32,095	8,596,880
Proceeds from Atha option	(807,000)	-	(807,000)	(697,000)	(110,000)
Alexander	6,255,728	1,792	6,253,936	1,792	6,252,144
Smith Lake	1,271,559	455	1,271,104	455	1,270,649
King Bay	1,003,189	-	1,003,189	-	1,003,189
Lake Nipigon Basin	32,000	-	32,000	10,000	22,000
Project Generation	3,350	-	3,350	-	3,350
Other	10,839	9,590	1,249	-	1,249
Total	17,118,018	731,215	16,454,195	(646,825)	17,101,020

Belfast-TeckMag, Emerald Lake, Ontario
The Belfast-TeckMag Project is comprised of multiple properties evolved from the Company's original Golden Rose Property. In 2017, the Company acquired certain mining leases, staked mining claims and adjacent claim blocks, collectively known as the Golden Rose Property, situated in Afton and Scholes townships at Emerald Lake approximately 65 km northeast of Sudbury, Ontario. A portion of the Golden Rose property comprising unpatented staked claims is subject to a 1.5% net smelter return ("NSR") in favour of Osisko Gold Royalties Ltd., and the patented claims and leases are subject to a 2% NSR in favour of EnerMark Inc.

In October 2020, through the acquisition of Canadian Continental Exploration Corp. ("CCEC"), the Company acquired the TeckMag Property comprised of a large package of mining claims which surrounds the Golden Rose Property.

In November 2020, the Company acquired the Belfast Property by staking and acquisition of certain mining claim cells adjacent to the TeckMag Property. In addition, certain mining claim cells were purchased in the Belfast area from a third party for $10,000 and the issuance of 100,000 shares of Conquest valued at $18,000 at the date of their issuance. On November 2, 2020, the Board of Directors awarded an incentive bonus to the initiators of the Belfast Property in the form of the grant of a total NSR of 1.5 % on the Belfast Project to certain management of the Company.

In March 2021, Conquest acquired the JPC property in Clement Township, Ontario from a private individual. The Company paid $13,000 cash and issued 250,000 common shares for a 100% interest in the JPC property, which is located to the southeast of the Golden Rose Property, subject to a 1% NSR. Conquest may purchase half of the NSR royalty for $500,000 at any time and holds a Right of First Refusal on the balance of the royalty.

In March 2021, pursuant to a purchase and sale agreement dated March 12, 2021 with Teck Resources Limited ("Teck"), Conquest acquired a 100% interest in the DGC Ni-Cu-PGE property located in Afton Township, Ontario by issuing 1,800,000 common shares to Teck subject to a 2% NSR retained by Teck.

On July 19, 2022, Conquest entered into an agreement granting an option to Atha Energy Corp. to acquire up to 100% undivided interest in four mineral leases representing a portion of the Golden Rose Property, a segment of the Belfast TeckMag Property (the "Atha Option Agreement"). To fully exercise the option, Atha must issue an aggregate of 1,500,000 Atha common shares ("Atha Shares") and make cash payments to the total of $1,000,000 to Conquest over a period of 36 months. Atha has also agreed to grant Conquest a 1% NSR on the optioned mineral leases.

Under the terms of the Atha Option Agreement, Atha is required to pay the consideration as follows:

- $100,000 cash plus up to $10,000 to reimburse Conquest for the cost of obtaining a required Technical Report on the Golden Rose Property;
- 200,000 Atha Shares upon the optionee obtaining a public listing;
- $200,000 cash plus 300,000 Atha Shares on both the first and second anniversary of the Atha Option Agreement; and
- $500,000 cash plus 700,000 Atha Shares on the third anniversary of the Atha Option Agreement.

7. MINERAL PROPERTIES – EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

on August 24, 2022, the Company received from Atha the initial cash payment of $100,000 plus $10,000 to cover the cost of a technical report on the property optioned. In July 2023, the Company received the first anniversary cash payment of $200,000 from Atha. On March 30, 2023 and November 15, 2023, the Company received an initial and second tranche of 200,000 and 300,000 Atha Shares, respectively, for a total fair value of $497,000 (note 4). The proceeds from the Atha Option Agreement of $697,000 in 2023 were recorded as a reduction to the Company's acquisition, exploration and evaluation expenses in the year ended December 31, 2023. No such proceeds were received in the year ended December 31, 2024.

See note 8 for VerAI Drill Fund.

Alexander Property, Red Lake, Ontario
The Company has earned a 100% interest in the Alexander Property, a group of patented mining claims situated in Balmer Township, Red Lake Mining District, Ontario, subject to a 2% NSR in favour of Energold Minerals Inc. ("Energold"). Energold is controlled by a director of the Company.

Smith Lake Property, Missinabie, Ontario
The Company holds certain patented mining leases and mining claims in the Missinabie area of Northern Ontario, in Leeson, Stover and Rennie Townships, Sault Ste. Marie Mining Division.

King Bay Property, Sturgeon Lake, Ontario
The King Bay property comprises a mining Lease and certain patented mining claims at Sturgeon Lake, in northwestern Ontario.

LNB Property, Lake Nipigon Basin, Ontario
Effective September 22, 2021, Conquest entered into an agreement to purchase 100% of the LNB property that is considered to be prospective for uranium mineralization associated with veins and faults at or near the Archean-Proterozoic unconformity, Ni-Cu-PGE mineralization associated with Proterozoic rift mafic intrusive rocks located at the unconformity south of Black Sturgeon Lake in the Lake Nipigon Basin (the "LNB" property).

Under the terms of the agreement, Conquest can earn 100% interest in the LNB property by issuing 800,000 common shares over the course of four years, subject to a 2% NSR with a buy-back of 1% at any time for $1,000,000. Conquest issued an initial 200,000 shares to the vendor of the property in November 2021 and an additional 200,000 shares in September 2022. The remaining 400,000 shares are to be issued in two tranches, i.e., 200,000 common shares issued on each of the third and fourth anniversaries of the agreement. Conquest has committed to spending $400,000 in exploration costs on the LNB property.

On July 24, 2023, the Company issued 200,000 shares to the vendor of the LNB property prior to the third anniversary of the LNB property purchase agreement. On August 16, 2023, the Company entered into an agreement to sell the LNB Project to an arm's length party, for a combination of a $125,000 work commitment, $500,000 in share payments to Conquest and the retention of a 1% NSR. The $125,000 work commitment was satisfied by the completion of an airborne MT survey by the buyer on the property in September 2023. Shares and/or cash are to be paid to the Company upon the completion of an equity financing for a drill program on the LNB property by the buyer.

Expressed in Canadian dollars

8. VerAI Drill Fund

Pursuant to a Royalty Purchase and Sale Agreement entered in February 2024 with VDI Resources LLC ("VerAI"), a subsidiary of VerAI Discoveries Inc. Conquest granted VerAI a 1.5% net smelter return royalty on certain target areas of the Belfast TeckMag Project (note 7) with recommended drilling locations generated by VerAI, utilizing its proprietary artificial intelligence ("AI") technology. Conquest also agreed to grant VerAI an additional 1.5% NSR (the "Royalty Option") in return for funding a drill program for testing four targets identified by VerAI on the Belfast TeckMag Project.

On September 11, 2024, VerAI exercised the Royalty Option and made a cash payment to the Company in the amount of $730,549 to fund all the expenditures for a 3,000-metre diamond drill program on the Belfast TeckMag Project (the "VerAI Drill Fund"). Upon receipt of the VerAI Drill Fund, the Company recorded the amount as contract liabilities, which are then reduced and recognized as other income as eligible drilling expenses are incurred by the Company and reimbursed through the VerAI Drill Fund. During the year ended December 31, 2024, the Company recorded other income of $682,806 (2023 - $nil) for the amount of eligible drilling expenditures incurred and reimbursed through the VerAI Drill Fund. The remainder of the VerAI Drill Fund of $47,743 (2023 - $nil) were recorded as contract liabilities at December 31, 2024.

9. SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares.

The following table summarizes the Company's share capital transactions for the year ended December 31, 2024 and 2023.

	Number of Shares	Share Capital $
Balance at December 31, 2022	135,277,106	24,002,178
Shares issued to acquire mineral rights	200,000	10,000
Balance at December 31, 2023 and December 31, 2024	135,477,106	24,012,178

On July 24, 2023, Conquest issued the third tranche of 200,000 shares at the value of $0.03 per share to the vendor of the LNB property pursuant to the agreement to purchase the LNB property dated September 22, 2021 (note 7). No shares were issued in the year ended December 31, 2024

10. STOCK OPTIONS

The board of directors has approved a stock option plan for directors, officers, management, employees and other persons who perform ongoing services for the Company or any of its subsidiaries. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Company and to benefit from its growth.

The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed ten percent of the total number of common shares outstanding immediately prior to such an issuance. The maximum number of common shares reserved for issuance to any one participant upon the exercise of options is not to exceed five percent of the total number of common shares outstanding immediately prior to such an issuance. The options are non-assignable and may be granted for a term not exceeding ten years. The exercise price of the options is fixed by the board of directors at the market price of the shares at the time of grant, subject to all applicable regulatory requirements.

On August 27, 2024, the Company granted a total of 4,000,000 stock options to its directors, officers and consultants, vesting immediately with an exercise price of $0.05 per share, for a term of five years. Amongst the total stock options granted, 3,200,000 were awarded to directors and officers of the Company. The total grant date fair value of the options was estimated at $136,189. The estimated fair value was calculated using the Black-Scholes option pricing model with the following assumptions: share price of $0.025, expected dividend yield of 0%; expected volatility of 201%; risk free interest rate of 2.94% and expected life of 5 years.

A total of 2,400,000 (2023 – nil) options expired unexercised in the year ended December 31, 2024 and fair value of these expired options of $207,240 (2023 – $nil) were transferred from the reserve for stock options to deficit.

Expressed in Canadian dollars

10. STOCK OPTIONS (CONTINUED)

The total share-based compensation cost arising from the vesting of previously issued options during the 2024 was $nil (2023 - $240,523). There were no options granted or expired in the year ended December 31, 2023.

The following table summarizes the stock option transactions for the years ended December 31, 2024 and 2023:

	Number of Options	Weighted Average Exercise Price $
Balance at December 31, 2022 and 2023	8,375,000	0.168
Stock options issued	4,000,000	0.050
Stock options expired	(2,400,000)	0.125
Balance at December 31, 2024	9,975,000	0.131

The following table summarizes the stock options outstanding as at December 31, 2024:

Exercise Price $	Options Outstanding	Options Exercisable	Expiry date	Remaining Life to Expiry (Years)
0.150	1,800,000	1,800,000	August 19, 2026	1.6
0.200	4,175,000	4,175,000	February 9, 2026	1.1
0.050	4,000,000	4,000,000	August 27, 2029	4.7
	9,975,000	9,975,000		

The options outstanding have a weighted average remaining life of 2.63 years at a weighted average exercise price of $0.131 at December 31, 2024.

11. RELATED PARTY TRANSACTIONS

Other than the granting of stock options, no fees were paid by the Company to its directors for their services as directors of the Company in the years ended December 31, 2024 or 2023.

During the year ended December 31, 2024, a total expense of $250,956 (2023 - $265,433) were charged by related parties, including $180,000 (2023 - $180,000) by Tom J. Obradovich, Director, President and Chief Executive Officer of the Company for management fees; $24,000 (2023 - $24,000) by Energold Minerals Inc., an affiliate of John Kearney, the Chairman of the Company, for executive consulting services; $27,450 (2023 - $31,050) by Intega Advisors, a company controlled by Tong Yin, Chief Financial Officer of the Company for professional services; $ 17,231 (2023 - $18,383) by Janice Malmholt, Secretary of the Company, for corporate secretary services; and $12,000 (2023 - $12,000) for office rent by Buchans Resources Limited, a company with common directors.

Included in accounts payable and accrued liabilities at December 31, 2024 is $21,864 (2023 - $21,373) due to related parties. Such amounts were due on demand, unsecured and non-interest bearing.

12. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Expressed in Canadian dollars

13. INCOME TAXES

(a) Provision for income taxes

The following is a reconciliation of the Company's effective income tax rate to that of its combined federal and provincial statutory income tax rate of 39.5% (2023 – 39.5%):

	2024 $	2023 $
Income (loss) before income taxes	(828,712)	436,619
ected income taxes based on statutory rate	(327,300)	25,500
ıstment to expected income tax benefit:		
Option payments received, net of recaptured CDE	-	(63,700)
Change in fair value of marketable securities	134,300	(19,000)
Share based compensation	53,800	7,100
Expenditures capitalized for income tax purposes:		
Exploration and evaluation expenditures expensed, net of VerAI drilling funds received	19,100	15,900
Property option payment	-	4,000
Amortization of share issue costs	(14,400)	(14,700)
Other	200	800
Change in benefit of tax assets not recognized	134,300	44,100
erred income tax provision (recovery)	-	-

(b) Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2024 $	2023 $
Non-capital loss carry-forwards	9,229,000	8,877,300
Mineral property costs - Canada	12,302,600	12,227,100
Mineral property costs - Foreign	4,342,100	4,342,100
Capital losses	3,751,100	3,751,100
Share issue costs	-	36,400
	29,624,800	29,234,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

(c) Income ax losses carry-forward

The Company has $12,263,900 (2023 – $11,949,800) of Canadian exploration and development expenditures which, may be utilized to reduce future net income for income tax purposes.

As of December 31, 2024, the Company has $9,229,100 (2022 - $9,174,300) of non-capital losses carry forward that expire as follows:

Year of Expiry	$
2027 to 2029	988,800
2030 to 2034	509,300
2035 to 2039	1,981,700
2040 to 2044	5,749,300
	9,229,100

14. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies, and procedures.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by major Canadian banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk
Credit risk is the risk that a counterparty will be unable to pay amounts owing to the Company. Management's assessment of the Company's risk is low as it is primarily attributable to funds held at major Canadian banks.

Commodity price risk
The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals, particularly gold.

Fair value hierarchy and liquidity risk disclosure
The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). Marketable securities are classified and subsequently measured as Level 1 in the fair value hierarchy. The Company has no financial instruments to classify within the fair value hierarchy at December 31, 2024 and 2023.

The carrying amounts for cash and cash equivalents, accounts payable and accrued liabilities on the statements of financial position approximate fair value because of the limited term of these instruments.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2024, , the Company had cash and cash equivalents of $689,748 (2023 - $1,016,428) and marketable securities at a fair value of $280,000 (December 31, 2023 – $452,600) to settle accounts payable and accrued liabilities of $101,023 (2023 - $48,143), including $21,864 (2023 - $21,373) liabilities due to related parties.. All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company has exposure to market risk in respect of the marketable securities it held at December 31, 2024 (note 4).

Price volatility of publicly traded securities
Securities of exploration companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations.

Capital risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain and explore its exploration assets. The capital structure of the Company consists of shareholders' equity.

Sensitivity analysis
Cash is invested in investment-grade short-term deposit certificates. At December 31, 2024, the Company held $640,000 (2023 – $914,700) in short-term deposit certificates. Based on management's knowledge and experience in the financial markets, sensitivity to a plus or minus 1% change in rates, based on the current balance of cash at December 31, 2024, would affect the net loss by plus or minus $6,400 (2022 – $9,100) during a one-year period.

As at December 31, 2024 and 2023, the Company did not hold any material balances in foreign currencies that would give rise to exposure to foreign exchange risk.

15. CAPITAL MANAGEMENT

The capital of the Company consists primarily of its shareholders' equity.

The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, development and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

The Company invests all capital that is surplus to its immediate operational needs in short term, highly liquid financial instruments, such as short term guaranteed investment certificates, held with a major Canadian financial institution.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) CDN$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.