



Blue Star Gold Corp.

Interim Condensed Consolidated Financial Statements

For the six months ended May 31, 2025

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The interim condensed consolidated financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The interim condensed consolidated financial statements for the six months ended May 31, 2025 are unaudited and prepared by Management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BLUE STAR GOLD CORP.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

(Unaudited)

AS AT,

	Notes	May 31, 2025	November 30, 2024
ASSETS			
Current			
Cash and cash equivalent		\$ 559,495	\$ 845,871
Advances and deposits		202,539	231,974
Other receivables	6	1,690,716	50,595
Total current assets		2,452,750	1,128,440
Long-term deposits	8	2,629,377	2,629,377
Right-of-use assets	10	36,450	95,529
Equipment	9	627,346	103,163
Exploration and evaluation assets	11	1,489,715	1,489,715
Total assets		\$ 7,235,638	\$ 5,446,224
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		\$ 714,142	\$ 208,474
Due to related parties	12	252,944	415,807
Lease liabilities – short term	10	45,220	113,084
Subscription received in advance	14	-	1,000,000
Total current liabilities		1,012,306	1,737,365
Loans payable – long term	13	2,067,194	1,915,558
Total liabilities		3,079,500	3,652,923
Shareholders' equity			
Share capital	14	52,031,982	48,594,474
Obligation to issue shares	13, 14	36,427	36,427
Reserves – options	14	3,398,670	3,398,670
Reserves – warrants	14	580,365	568,053
Deficit		(51,891,306)	(50,804,323)
Total shareholders' equity		4,156,138	1,793,301
Total liabilities and shareholders' equity		\$ 7,235,638	\$ 5,446,224

Approved and authorized by the Board of Directors on June 27, 2025

"Kenneth R. Yurichuk"
Kenneth R. Yurichuk, Director

"Robert Metcalfe"
Robert Metcalfe, Director

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

BLUE STAR GOLD CORP.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended May 31, 2025	Three months ended May 31, 2024	Six months ended May 31, 2025	Six months ended May 31, 2024
EXPENSES				
Accretion and interest (Notes 9 and 13)	\$ 99,112	\$ 90,006	\$ 195,894	\$ 178,163
Amortization (Note 9)	94	134	187	267
Amortization of ROU assets (Note 10)	25,709	25,709	51,419	51,419
Directors fees (Note 12)	32,500	32,500	65,000	65,000
Exploration expenditure (recovery) (Note 11)	(92,876)	961,853	263,269	1,255,915
Insurance	22,763	19,132	40,291	43,042
Investor and shareholder relations	42,052	74,911	79,539	154,108
Interest income	-	(32,829)	-	(58,207)
Office and miscellaneous	33,285	48,572	62,301	85,285
Professional fees	23,458	38,685	46,523	64,080
Regulatory and transfer agent fees	13,132	11,684	20,714	24,095
Salaries (Note 12)	130,712	156,988	261,846	305,638
Share-based compensation (Notes 12 and 14)	-	366,842	-	366,842
Travel and entertainment	-	-	-	421
Loss and comprehensive loss before income tax	(329,941)	(1,794,187)	(1,086,983)	(2,536,068)
Deferred income tax recovery	-	23,147	-	29,469
Loss and comprehensive loss for the period	(329,941)	(1,771,040)	(1,086,983)	(2,506,599)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.03)
Weighted average number of common shares outstanding	112,136,318	81,895,802	107,997,522	81,815,440

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

BLUE STAR GOLD CORP.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

(Unaudited)

	Share Capital						
	Number	Amount	Obligation to issue shares	Reserves - options	Reserves - warrants	Deficit	Total
Balance, November 30, 2023	80,764,552	\$45,020,750	\$ 72,854	\$ 3,031,828	\$ 532,021	\$ (43,060,578)	\$ 5,596,875
Shares issued in private placement	1,131,250	435,531	-	-	-	-	435,531
Finders' warrants	-	(11,636)	-	-	11,636	-	-
Share issuance costs	-	(51,566)	-	-	-	-	(51,566)
Share-based compensation	-	-	-	366,842	-	-	366,842
Loss for the period (Restated – Note 4)	-	-	-	-	-	(2,506,599)	(2,506,599)
Balance, May 31, 2024	81,895,802	45,393,079	72,854	3,398,670	543,657	(45,567,177)	3,841,083
Shares issued in private placement	19,312,500	2,941,875	-	-	-	-	2,941,875
Shares issued for properties	2,460,000	332,100	-	-	-	-	332,100
Shares issued for loan bonus	98,451	36,427	(36,427)	-	-	-	-
Finders' warrants	-	(24,396)	-	-	24,396	-	-
Share issuance costs	-	(84,611)	-	-	-	-	(84,611)
Loss for the period (Restated – Note 4)	-	-	-	-	-	(5,237,146)	(5,237,146)
Balance, November 30, 2024	103,766,753	48,594,474	36,427	3,398,670	568,053	(50,804,323)	1,793,301
Shares issued in private placement	35,000,000	3,500,000	-	-	-	-	3,500,000
Finders' warrants	-	(12,312)	-	-	12,312	-	-
Share issuance costs	-	(50,180)	-	-	-	-	(50,180)
Loss for the period	-	-	-	-	-	(1,086,983)	(1,086,983)
Balance, May 31, 2025	138,766,753	\$52,031,982	\$ 36,427	\$ 3,398,670	\$ 580,365	\$ (51,891,306)	\$ 4,156,138

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

BLUE STAR GOLD CORP.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

(Unaudited)

	Six months ended May 31, 2025	Six months ended May 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,086,983)	\$ (2,506,599)
Items not affecting cash:		
Accretion of interest	195,894	178,163
Amortization	122,346	115,247
Amortization of ROU assets	59,079	59,079
Share-based compensation	-	366,842
Flow-through tax recovery	-	(29,469)
Changes in non-cash working capital items:		
Advances and deposits	29,435	(212,601)
Receivables	(1,640,121)	(23,813)
Accounts payable and accrued liabilities	467,606	31,468
Due to related parties	(162,863)	57,767
Net cash used in operating activities	(2,015,607)	(1,963,916)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(646,529)	-
Net cash used in investing activities	(646,529)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance	2,500,000	452,500
Share issuance costs	(50,180)	(51,566)
Repayment of lease liability	(74,060)	(72,048)
Net cash provided by financing activities	2,375,760	328,886
Change in cash during the period	(286,376)	(1,635,030)
Cash, beginning of period	845,871	3,487,503
Cash, end of period	\$ 559,495	\$ 1,852,473
SUPPLEMENT NON-CASH DISCLOSURES		
Right-of-use assets included in lease liabilities	\$ -	\$ 7,660
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -

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

1. Nature of Operations

Blue Star Gold Corp. (“Blue Star” or the “Company”) was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company’s principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company’s efforts are devoted to financing and developing these property interests. There has been no determination whether the Company’s interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “BAU” and on OTCQB under the symbol “BAUFF”, and its corporate head office is located at 507 - 700 West Pender Street, Vancouver, BC, Canada V6C 1G8.

2. Basis of Presentation

a) Statement of compliance

These unaudited interim condensed consolidated financial statements, including comparatives that are unaudited, have been prepared in accordance with IAS 34 (“IAS 34”) using accounting policies consistent with the IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These interim condensed consolidated financial statements have been prepared using accounting policies consistent with those used in the Company’s audited annual financial statements for the year ended November 30, 2024 except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

These interim condensed consolidated financial statements were authorized by the Board of Directors on June 27, 2025.

b) Going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company incurred a loss of \$1,086,983 during the six months ended May 31, 2025 and had an accumulated deficit of \$51,891,306 (November 30, 2024 - \$50,804,323) as at May 31, 2025. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The outcome of these matters cannot be predicted at this time.

2. Basis of Presentation (continued)

c) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Ulu Mining Inc. and Inukshuk Exploration Incorporated (“Inukshuk”), both incorporated under the laws of British Columbia. All significant intercompany transactions have been eliminated upon consolidation. A subsidiary is an entity that the Company controls, either directly or indirectly. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

d) Functional and presentation currency

The Company and its wholly owned subsidiaries’ reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

e) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

f) Estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated 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 the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows.

Critical accounting estimates

i. Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, expected life, price volatility, interest rate and dividend yield. Changes in the input assumptions can significantly affect the fair value estimate of the Company’s earnings and reserves.

ii. Interest rates

The Company estimates a market interest rate in determining the fair value of the liability component of its loan payable and an incremental borrowing rate in determining the right-of-use asset. The determination of market interest rate is subjective and could significantly affect the fair value estimate.

2. Basis of Presentation (continued)

f) Estimates and judgments (continued)

Critical accounting judgments

i. Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

ii. Application of IFRS 16 *Leases*

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. Lease term reflects the period over which the lease payments are reasonably certain including renewal options that the Company is reasonably certain to exercise. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilized. Management makes assumptions about long-term industry outlook which relate to future events and circumstances. Actual results could vary from these assumptions, and the differences could be material to the carrying value of the lease liabilities and right-of-use assets, for which the lease term is the basis for determining useful life.

iii. Flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

iv. Modification versus extinguishment of financial liability

Judgement is required in applying IAS 32 *Financial Instruments: Presentation* and IFRS 9 *Financial Instruments: Recognition and Measurement* to determine whether the amended terms of the loan payable are a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original loan payable.

3. Significant Accounting Policies

These Condensed Interim Consolidated Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended November 30, 2024.

New, amended and future accounting pronouncements

The following standards are effective for future periods:

On April 9, 2024, the IASB issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027. Retrospective application is required and early application is permitted.

We are currently assessing the effect of this new standard on our consolidated financial statements.

4. Change in Accounting Policy

Effective September 1, 2024, the Company changed its accounting policy related to exploration costs. Previously, the Company capitalized its exploration costs on an individual prospect basis until such time as an economic ore body was defined or the prospect was abandoned. The Company will continue to capitalize all direct costs related to the acquisition of a mineral property interest upon acquiring the legal right to explore the property; however, exploration costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development will be charged to operations as incurred.

Accordingly, the Company also reclassified the advances to exploration service suppliers at year end from long-term deposit to short-term deposit.

The change in policy has been made to more appropriately disclose the operations of the Company and the value of its mineral properties.

In accordance with IAS 8 – *Accounting Policies in Accounting Estimates and Errors*, the impact of the change in policy has been applied retrospectively in these financial statements and the comparatives have been adjusted accordingly for all the periods present, as if the policy has been applied as of December 1, 2022. The summary of the impact of these changes is disclosed below:

Blue Star Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
For the six months ended May 31, 2025
(Expressed in Canadian dollars)
(Unaudited)

4. Change in Accounting Policy (continued)

Summary of Impact on the Prior Period Statement of Financial Position

As at May 31, 2024	As reported	Adjustments	As restated
Advances and deposits	\$ 71,386	\$ 326,597	\$ 397,983
Long-term deposits	\$ 3,014,848	\$ (326,597)	\$ 2,688,251
Exploration and evaluation assets	\$ 27,027,967	\$ (25,870,352)	\$ 1,157,615
Total assets	\$ 32,341,410	\$ (25,870,352)	\$ 6,471,058
Deficit	\$ (19,696,825)	\$ (25,870,352)	\$ (45,567,177)
Total shareholders' equity	\$ 29,711,435	\$ (25,870,352)	\$ 3,841,083
Total liabilities and shareholders' equity	\$ 32,341,410	\$ (25,870,352)	\$ 6,471,058

As at November 30, 2023	As reported	Adjustments	As restated
Advances and deposits	\$ 58,893	\$ 126,490	\$ 185,383
Long-term deposits	\$ 2,814,741	\$ (126,490)	\$ 2,688,251
Exploration and evaluation assets	\$ 25,772,052	\$ (24,614,437)	\$ 1,157,615
Total assets	\$ 32,658,438	\$ (24,614,437)	\$ 8,044,001
Deficit	\$ (18,446,141)	\$ (24,614,437)	\$ (43,060,578)
Total shareholders' equity	\$ 30,211,312	\$ (24,614,437)	\$ 5,596,875
Total liabilities and shareholders' equity	\$ 32,658,438	\$ (24,614,437)	\$ 8,044,001

Summary of Impact on the Prior Period Statement of Loss and Comprehensive Loss

For the six months ended May 31, 2024	As reported	Adjustments	As restated
Expenses			
Exploration expenditure	\$ -	\$ (1,255,915)	\$ (1,255,915)
Loss and comprehensive loss for the year	\$ (1,250,684)	\$ (1,255,915)	\$ (2,506,599)
Loss per share – basic and diluted	\$ (0.02)	\$ (0.01)	\$ (0.03)
Weighted average number of shares outstanding	81,815,440	-	81,815,440

Blue Star Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
For the six months ended May 31, 2025
(Expressed in Canadian dollars)
(Unaudited)

4. Change in Accounting Policy (continued)

For the three months ended May 31, 2024	As reported	Adjustments	As restated
Expenses			
Exploration expenditure	\$ -	\$ (961,853)	\$ (961,853)
Loss and comprehensive loss for the year	\$ (809,187)	\$ (961,853)	\$ (1,771,040)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding	81,895,802	-	81,895,802

Summary of Impact on the Prior Year Statement of Changes in Equity

	As reported	Adjustments	As restated
Deficit, as at November 30, 2023	\$ (18,446,141)	\$ (24,614,437)	\$ (43,060,578)
Loss and comprehensive loss for the period	\$ (1,250,684)	\$ (1,255,915)	\$ (2,506,599)
Deficit, as at May 31, 2024	\$ (19,696,825)	\$ (25,870,352)	\$ (45,567,177)

Summary of Impact on the Prior Period Statement of Changes in Cash Flows

For the six months ended May 31, 2024	As reported	Adjustments	As restated
Cash used in operating activities	\$ (749,420)	\$ (1,214,496)	\$ (1,963,916)
Cash used in investing activities	\$ (1,214,496)	\$ 1,214,496	\$ -
Cash from financing activities	\$ 328,886	\$ -	\$ 328,886
Cash and equivalent, beginning of period	\$ 3,487,503	\$ -	\$ 3,487,503
Cash and equivalent, end of period	\$ 1,852,473	\$ -	\$ 1,852,473

5. Capital Management

Capital includes all the components of shareholders' equity as well as proceeds from loans. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 6.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture property arrangements, acquire or dispose of assets, or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the six months ended May 31, 2025. The Company is not subject to externally imposed capital requirements.

6. Other Receivables

The items comprising the Company's amounts receivable are summarized below:

	May 31, 2025	November 30, 2024
	\$	\$
GST receivable	5,619	50,595
Camp operation recovery	1,685,097	-
Total amounts receivable	1,690,716	50,595

7. Management of Financial Risks

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments as at May 31, 2025 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash and cash equivalents	\$ 559,495	\$ -	\$ -
Other receivables	\$ 1,690,716	\$ -	\$ -
Financial liabilities at amortized costs			
Accounts payable and accrued liabilities	\$ 714,142	\$ -	\$ -
Due to related parties	\$ 252,944	\$ -	\$ -
Lease liabilities	\$ -	\$ 45,220	\$ -
Loans payable	\$ -	\$ 2,067,194	\$ -

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Fair value

The carrying value of cash and cash equivalents, accounts payable and accrued liabilities and amounts due to related parties approximated their fair value since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The lease liabilities and loans payable are classified as level 2 due as the fair value is determined based on indirectly observable market interest rates.

b) Interest rate risk

The Company has no significant exposure at May 31, 2025 and November 30, 2024 to interest rate risk through its financial instruments. The Company has a loan payable with fixed interest rate at 3% per annum.

c) Currency risk

As at May 31, 2025 and November 30, 2024, the majority of the Company's cash and cash equivalents was held in Canadian dollars, the Company's functional and reporting currency. The majority of the Company's accounts payable and accrued liabilities are denominated in Canadian dollars. Loan payable and lease liabilities outstanding as at May 31, 2025 and November 30, 2024 are denominated in Canadian dollars. Currency risk is not significant.

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For the six months ended May 31, 2025
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7. Management of Financial Risks (continued)

d) Credit risk

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as substantially all amounts are held at major financial institutions. The credit risk associated with cash and cash equivalents is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

e) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2025, the Company had cash and cash equivalents of \$559,495 (November 30, 2024 - \$845,871) to settle current liabilities of \$1,012,306 (November 30, 2024 - \$1,737,365).

8. Long-term deposits

As at May 31, 2025, the Company has the following long-term deposits:

a) a deposit of \$943,835 (November 30, 2024 - \$943,835) held with the Kitikmeot Inuit Association pursuant to its Land Use License for the Ulu Gold Project;

b) a deposit of \$1,685,542 (November 30, 2024 - \$1,685,542) with Crown-Indigenous Relations and Northern Affairs Canada, in relation to the Ulu Water License issued by the Nunavut Water Board ("NWB") for the reclamation liability of the mining license;

9. Equipment

	Computer and office equipment	Camp and field equipment	Total
Cost			
Balance, November 30, 2023 and 2024	\$ 19,097	\$ 802,962	\$ 822,059
Additions	-	646,529	646,529
Balance, May 31, 2025	\$ 19,097	\$ 1,449,491	\$ 1,468,588
Accumulated amortization			
Balance, November 30, 2023	\$ 17,320	\$ 513,903	\$ 531,223
Additions	534	187,139	187,673
Balance, November 30, 2024	17,854	701,042	718,896
Additions	187	122,159	122,346
Balance, May 31, 2025	\$ 18,041	\$ 823,201	\$ 841,242
Carrying amounts			
At November 30, 2024	\$ 1,243	\$ 101,920	\$ 103,163
At May 31, 2025	\$ 1,056	\$ 626,290	\$ 627,346

During the six months ended May 31, 2025, amortization expenses of \$122,159 (2024 - \$114,980) were recorded into the exploration expenditure.

10. Right-of-Use (“ROU”) Assets and Lease Liabilities

Office lease

On May 5, 2022, the Company entered into an office lease agreement for a 36-month lease period starting October 1, 2022. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of \$308,516 and recognized lease liabilities of \$308,516 on commencement of the lease. As at October 1, 2022, the Company measured the present value of its lease liabilities using a discount rate of 16% as determined from its incremental borrowing rate.

Equipment lease

On December 21, 2022, the Company entered into an equipment rental/purchase agreement for a 31-month lease period starting December 21, 2022. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of \$39,578 and recognized lease liabilities of \$39,578 on commencement of the lease. On inception, the Company measured the present value of its lease liabilities using a discount rate of 0.2% as determined according to this agreement.

During the six months ended May 31, 2025, the Company recorded amortization expense of \$6,196 (2024 - \$7,660) into the exploration and evaluation assets.

a) *Right-of-use assets*

A reconciliation of the Company’s right-of-use assets for the six months ended May 31, 2025 and the year ended November 30, 2024 is as follows:

	Total
Balance, November 30, 2023	\$ 213,688
Amortization of ROU of office lease	(102,839)
Amortization of ROU of equipment lease	(15,320)
Balance, November 30, 2024	95,529
Amortization of ROU of office lease	(51,419)
Amortization of ROU of equipment lease	(7,660)
Balance, May 31, 2025	<u>\$ 36,450</u>

b) *Lease liabilities*

A reconciliation of the Company’s lease liabilities for the six months ended May 31, 2025 and the year ended November 30, 2024 is as follows:

	Total
Balance, November 30, 2023	\$ 232,166
Accretion of interest	25,685
Lease payments - office	(130,687)
Lease payments – equipment	(14,080)
Balance, November 30, 2024	113,084
Accretion of interest	6,196
Lease payments - office	(66,380)
Lease payments – equipment	(7,680)
Balance, May 31, 2025	<u>\$ 45,220</u>

10. Right-of-Use (“ROU”) Assets and Lease Liabilities (continued)

b) Lease liabilities (continued)

		May 31, 2025	November 30, 2024
Short-term portion of lease liability	\$	45,220	\$ 113,084
Long-term portion of lease liability	\$	-	\$ -

c) Lease operating costs

The Company pays about \$8,000 per month for its leased office operating costs from October 1, 2022 to September 30, 2025. The total operating costs approximately \$48,000 (2024 - \$48,000) are recorded in office and miscellaneous expenses in the consolidated statements of loss and comprehensive loss for the six months ended May 31, 2025.

11. Exploration and Evaluation Assets

	<i>Ulu Property (Nunavut)</i>	<i>Hood River Property (Nunavut)</i>	<i>Roma Property (Nunavut)</i>	<i>Total</i>
Balance, November 30, 2023	\$ -	\$ 1,060,000	\$ 97,615	\$ 1,157,615
Shares issued for lease contract	332,100	-	-	332,100
Balance, November 30, 2024 and May 31, 2025	\$ 332,100	\$ 1,060,000	\$ 97,615	\$ 1,489,715

a) Ulu Property

The Ulu Property consists of a renewable 21-year lease with an area of approximately 947 hectares and an expiry date of November 18, 2038.

On January 8, 2018, the Company and Mandalay Resources Corporation (“Mandalay”) entered into an Ulu Property Option Agreement, which was further amended on July 19, 2019, pursuant to which, the Company acquired 100% of Ulu Property on February 10, 2020.

On June 6, 2024, the Company entered into an Advanced Exploration Lease (AEL) with the Kitikmeot Inuit Association (“KIA”) which provides the Company exclusive surface rights and access to this area of Inuit Owned Lands for a period of 10 years. According to the AEL, the Company is required to pay an annual rent of \$16,400 and water fee of \$1,000. On July 18, 2024, the Company also issued 2,460,000 common shares on to KIA valued at \$332,100.

11. Exploration and Evaluation Assets (continued)

b) Hood River Property

The Company, through its subsidiary Inukshuk Exploration Inc. ("Inukshuk"), holds the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI").

On February 26, 2018, the Company signed a final Transaction Agreement (the "Definitive Agreement") and Net Smelter Royalty Agreement ("Royalty Agreement") to acquire 100% of the outstanding shares of Inukshuk, with an effective date as of September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will pay the following:

- i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
- ii. Make advance royalty payments totaling \$500,000 (paid);
- iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
- iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to \$8,000,000 under the following terms:

- i. Purchase an initial 0.5% of the NSR for \$1,000,000;
- ii. Purchase an additional 0.5% of the NSR for an additional \$1,500,000;
- iii. Purchase an additional 0.5% of the NSR for an additional \$2,500,000; and
- iv. Purchase an additional 0.5% of the NSR for an additional \$3,000,000.

On January 25, 2022, the Company signed an amended Hood River MEA with NTI resulting in an expansion of the project area by approximately 40%. The project area now encompasses 11,203 hectares.

c) Roma Property

On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in nine mineral claims ("Roma") located in Nunavut. The Company issued 75,000 shares (fair valued at \$67,500) on February 22, 2021 and reimbursed all expenses (\$22,230) in connection with staking the claims. In January 2022, the Company staked additional claims at a cost of \$7,885.

Also in January 2022, the Company entered into a 20-year renewable mineral exploration agreement ("MEA") with NTI for an exploration area of 4,119 hectares. On October 1, 2024, the Company entered into an amendment to the MEA agreement to increase the exploration area from 4,119 hectares to 5,706 hectares.

d) Government grant

During the year ended November 30, 2024, the Company received government grants of \$125,000 from the Government of Nunavut (the "GN") which is included in exploration expense.

11. Exploration and Evaluation Assets (continued)

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

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11. Exploration and Evaluation Assets (continued)

Exploration expenditure

During the six months ended May 31, 2025, the Company incurred exploration expenditure as follows:

	<i>Ulu Property (Nunavut)</i>	<i>Hood River Property (Nunavut)</i>	<i>Roma Property (Nunavut)</i>	<i>Total</i>
Amortization (Notes 9 and 10)	\$ 64,910	\$ 64,911	\$ -	129,821
Camp and supplies	1,443,660	-	-	1,443,660
Claim maintenance and filing fee	2,382	44,816	11,412	58,610
General exploration	330,519	27,618	34,634	392,771
Geophysical	1,170	6,630	-	7,800
Project manager	30,664	30,664	30,673	92,001
Remediation	152,316	-	-	152,316
Camp cost recovery	(2,013,710)	-	-	(2,013,710)
Total	\$ 11,911	\$ 174,639	\$ 76,719	\$ 263,269

During the six months ended May 31, 2024, the Company incurred exploration expenditure as follows:

	<i>Ulu Property (Nunavut)</i>	<i>Hood River Property (Nunavut)</i>	<i>Roma Property (Nunavut)</i>	<i>Total</i>
Amortization (Notes 9 and 10)	\$ 61,320	\$ 61,320	-	\$ 122,640
Camp and supplies	452,759	-	-	452,759
Claim maintenance and filing fee	2,679	44,816	8,238	55,733
Drilling	8,171	11,591	14,343	34,105
Consulting	8,500	-	-	8,500
General exploration	175,716	59,528	94,528	329,772
Geochemistry and assay	1,250	1,250	1,074	3,574
Geophysical	300	4,390	750	5,440
Project manager	30,664	30,664	30,673	92,001
Remediation	151,391	-	-	151,391
Total	\$ 892,750	\$ 213,559	\$ 149,606	\$ 1,255,915

12. Related Party Transactions and Key Management Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

As at May 31, 2025, \$252,944 (November 30, 2024 - \$415,807) was due to directors and officers of the Company:

	May 31, 2025	November 30, 2024
CFO	\$ 14,280	\$ 12,705
Former CEO*	-	215,000
Directors	238,664	188,102
	<u>\$ 252,944</u>	<u>\$ 415,807</u>

* The Company's CEO was terminated during the year ended November 30, 2020.

During the six months ended May 31, 2025 and 2024, the Company entered into the following transactions with related parties:

	Six months ended May 31, 2025	Six months ended May 31, 2024
Salary – CEO	\$ 112,200	\$ 112,200
Salary – Spouse of CEO, Office and Human Resources Manager	43,080	45,240
Management fee – CFO	72,600	72,600
Directors' fees	65,000	65,000
Share-based compensation – Nil (2024 – 1,550,000) options granted to directors and officers (Note 14)	-	199,501
	<u>\$ 292,880</u>	<u>\$ 494,541</u>

13. Loans Payable

On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert. The loan principal amount is \$2,435,542.

On November 21, 2022, the loan principal of \$2,435,542 and unpaid interest balance of \$101,892, totaling \$2,537,434, was extended for one year interest free. The Company measured the present value of the loan as at \$2,214,310 at 10% at the original effective interest rate. On April 26, 2023, the maturity date was further extended to August 21, 2024.

On October 5, 2023, the Company entered into a new loan agreement with Dr. Georg Pollert to renew the above loan with the principal amount of \$2,537,434. The loan has a term of three years and bears interest at 3% per annum. In relation to the loan, the Company intends to issue up to 295,354 bonus shares with the first tranche of 98,541 bonus shares issued on October 25, 2023. In connection with the bonus shares described above, the Company initially recognized an obligation to issue shares of \$109,281. The Company also recorded a gain on extinguishment of the original loan of \$462,697 in deficit.

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13. Loan Payable (continued)

For accounting purposes, the loans with bonus shares were considered a hybrid financial instrument and were allocated into corresponding debt and equity components at the date of issue. The Company used the residual value method to allocate the principal amount of the loans between the liability and obligation to issue shares component. The Company valued the debt component of the loan agreements by calculating the present value of principal and interest payments, discounted at a rate of 21% which represents managements best estimate of the rate that a loan without bonus shares would earn. The debt component is subsequently accreted to the face value of the loan agreements with an effective interest rate of 19%.

	Liability Component	Obligation to issue shares
Balance at November 30, 2023	1,652,450	72,854
Accretion of interest	339,232	-
Bonus shares issued	-	(36,427)
Interest payable transferred to due to related parties	(76,124)	-
Balance at November 30, 2024	1,915,558	36,427
Accretion of interest	189,698	-
Interest payable transferred to due to related parties	(38,062)	-
Balance at May 31, 2025	\$ 2,067,194	\$ 36,427

	May 31, 2025	November 30, 2024
Short-term portion of liability	\$ -	\$ -
Long-term portion of liability	\$ 2,067,194	\$ 1,915,558

14. Share Capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Share issuances

As at May 31, 2025, the Company had 138,766,753 (November 30, 2024 – 103,766,753) common shares issued and outstanding.

During the six months ended May 31, 2025:

i) On May 9, 2025, the Company closed a non-brokered private placement by issuing 35,000,000 non-flow-through shares at a price of \$0.10 per share for total gross proceeds of \$3,500,000. The Company issued 300,000 finder's warrants valued at \$12,312 and paid finder's fees of \$30,000 and legal and filing fees of \$20,180.

During the year ended November 30, 2024:

i) On December 13, 2023, the Company closed the final tranche of a non-brokered private placement by issuing 1,131,250 flow-through share shares (each a "FT Share") at a price of \$0.40 per FT Share, raising total gross proceeds of \$452,500, of which \$16,969 is recorded as FT share premium liability. The Company issued 67,500 finder's warrants valued at \$11,636, and paid finder's fees of \$27,000 and legal and filing fees of \$24,566.

14. Share Capital and Reserves (continued)

b) Share issuances (continued)

ii) In June 2024, the Company closed a non-brokered private placement by issuing 12,500,000 non-flow-through shares (each a “NFT Share”) and 6,812,500 flow-through share (each a “FT Share”) at a price of \$0.16 per share for total gross proceeds of \$3,090,000, of which \$148,125 is recorded as FT share premium liability. The Company issued 397,500 finder’s warrants valued at \$24,396 and paid finder’s fees of \$63,600 and legal and filing fees of \$21,011.

iii) On June 6, 2024, the Company entered into an Advanced Exploration Lease (“AEL”) with the Kitikmeot Inuit Association (“KIA”) which provides the Company exclusive surface rights and access to this area of Inuit Owned Lands for a period of 10 years. According to the AEL, the Company issued 2,460,000 common shares (fair valued at \$332,100) to KIA on July 18, 2024.

iv) On October 25, 2024, the Company issued the second tranche of 98,451 bonus shares (fair valued at \$36,427) to Dr. Georg Pollert in relation to a loan of \$2,537,435 the Company renewed on October 5, 2023 (Note 12).

c) Stock options

The Company has a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company’s total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period.

On April 22, 2024, the Company granted to directors, officers and consultants 2,800,000 stock options, exercisable at \$0.25 per share for a term of five years. These options vested on the date of grant. The fair value of the stock options granted was \$360,390 (\$0.13 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

The fair value of the stock options granted was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	Six months ended May 31, 2025	Year ended November 30, 2024
Risk free interest rate	-	3.79%
Volatility	-	99.52%
Expected life of options	-	5 years
Dividend rate	-	0%

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14. Share Capital and Reserves (continued)

c) Stock options (continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2023	4,870,000	\$ 0.64
Granted	2,800,000	0.25
Expired/forfeited	(1,480,000)	1.05
Balance, November 30, 2024 and May 31, 2025	6,190,000	\$ 0.37
Exercisable, at May 31, 2025	6,190,000	\$ 0.37

At May 31, 2025, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
120,000	\$ 1.25	August 7, 2025
570,000	\$ 0.50	March 30, 2027
100,000	\$ 0.40	October 18, 2027
2,550,000	\$ 0.43	May 2, 2028
50,000	\$ 0.385	November 10, 2025
2,800,000	\$ 0.25	April 22, 2029

d) Warrants

On December 13, 2023, the Company issued 67,500 finder's warrants valued at \$11,636 (\$0.17 per warrant). The finders' warrants are exercisable at \$0.40 per share until December 13, 2025.

In June 2024, the Company issued 397,500 finder's warrants valued at \$24,396 (\$0.06 per warrant). The finders' warrants are exercisable at \$0.40 per share for a two-year period from the issuance date.

On May 9, 2025, the Company issued 300,000 finder's warrants valued at \$12,312 (\$0.04 per warrant). The finders' warrants are exercisable at \$0.10 per share for a one-year period from the issuance date.

The fair value of the finders' warrants was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	Six months ended May 31, 2025	Year ended November 30, 2024
Risk free interest rate	2.59%	4.05%
Volatility	105.65%	85.88%
Expected life of options	1 year	2 years
Dividend rate	0%	0%

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14. Share Capital and Reserves (continued)

d) Warrants (continued)

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2023	4,677,500	\$ 0.49
Issued	465,000	0.40
Balance, November 30, 2024	5,142,500	\$ 0.46
Issued	300,000	0.10
Expired	(3,125,000)	0.50
Balance, May 31, 2025	2,317,500	\$ 0.35
Exercisable, at May 31, 2025	2,317,500	\$ 0.35

As at May 31, 2025, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
1,050,000	\$ 0.50	July 20, 2025
285,000	\$ 0.40	November 3, 2025
217,500	\$ 0.40	November 22, 2025
67,500	\$ 0.40	December 13, 2025
168,750	\$ 0.16	June 7, 2026
228,750	\$ 0.16	June 26, 2026
300,000	\$ 0.10	May 9, 2026

15. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At May 31, 2025 and November 30, 2024, the Company's long-term deposits, right-of-use assets, equipment and exploration and evaluation assets are located in Canada.