

NORTH PEAK RESOURCES

NORTH PEAK RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024, AND DECEMBER 31, 2023

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
North Peak Resources Ltd.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of North Peak Resources Ltd. (the Company or NPR), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Material Uncertainty Relating to Going Concern

We draw your attention to Note 1 in the consolidated financial statements, which indicates the Company incurred a comprehensive loss of \$4,774,625 for the year ended December 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Emphasis of Matter - Material Uncertainty Related to Going Concern* section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

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

Description of the matter

As described in Note 5 to the consolidated financial statements, the carrying value of the resource property costs (E&E assets) amounted to \$8,938,112 as at December 31, 2024.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is

estimated in order to determine the extent of the impairment loss, if any. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and subject to impairment assessment.

In undertaking this assessment, management is required to apply judgment whether the following factors would be considered an indicator of impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed;
- Substantive expenditures on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and;
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Why the matter is a key audit matter

We determined this as a key audit matter as it represented an area of significant risk of material misstatement given the magnitude of the E&E assets and the significant management judgment involved in assessing the existence of impairment indicators. In addition, significant auditor judgement, knowledge and effort were required in evaluating the results of our audit procedures.

How the matter was addressed in the audit

The following were the primary procedures we performed to address this key audit matter.

- Reviewed management's E&E impairment analysis and ensured it was reasonable and complies with IFRS 6 guidance;
- Verified the status of the Company's mining claims and confirmed their good standing with property optionors and Plan of Operations as filed with Bureau of Land Management;
- Considered evidence obtained in other areas of the audit to assess the Company's continued ability and plans to further develop the E&E properties; and;
- Reviewed National Instrument 43-101 Technical Reports noting the potential commercial viability of the properties.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the annual management's discussion and analysis, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

Clearhouse LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 16, 2025

NORTH PEAK RESOURCES

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements have been prepared by and are the responsibility of management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgements based on currently available information.

Management is also responsible for a system of internal control that is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized, and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities with respect to financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Company's independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements before they are presented to the Board of Directors for approval.

The Company's independent auditors, Clearhouse LLP, are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	December 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	\$ 1,273,175	\$ 5,304,713
Investment	100,000	100,000
Prepaid and sundry receivable	183,795	160,239
	\$ 1,556,970	\$ 5,564,952
Equipment	132,488	181,611
Right-of-use assets (note 6)	25,412	73,669
Exploration and evaluation assets (note 5)	8,938,112	8,339,169
	\$ 10,652,982	\$ 14,159,401
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 142,978	\$ 485,847
Current portion of lease liability (note 7)	32,567	50,886
	\$ 175,545	\$ 536,733
Non-current portion of lease liability (note 7)	-	28,053
	\$ 175,545	\$ 564,786
Shareholders' equity		
Share capital (note 8)	39,477,363	38,182,019
Shares to be issued	-	40,355
Contributed surplus (note 9 and 10)	15,816,932	15,414,473
Deficit	(44,816,857)	(40,042,232)
	10,477,437	13,594,615
	\$ 10,652,982	\$ 14,159,401

Nature of operations and going concern (note 1), Subsequent events (note 17)

Approved on behalf of the Board of Directors:

/s/ "Rupert Williams"

/s/ "John Thomson"

Rupert Williams
Director

John Thomson
Director

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

NORTH PEAK RESOURCES LTD.**Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)**

For the years ended December 31,	2024	2023
Expenses (income)		
Contractor fees	\$ 52,939	\$ 25,422
Travel	101,419	276,819
General and administration (note 11 and 13)	783,462	1,058,648
Professional fees (note 13)	208,950	255,158
Investor relations and marketing	190,504	106,717
Exploration and evaluation expenses (note 12)	3,065,951	3,110,443
Share-based compensation (note 10 and 13)	535,841	920,236
Interest income	(164,440)	(364,562)
Net loss and comprehensive loss for the year	\$ (4,774,625)	\$ (5,388,882)
Basic and diluted net loss per share	\$ (0.16)	\$ (0.21)
Weighted average number of common shares outstanding, basic and diluted	30,420,301	25,881,296

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

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital						Total
	Number of shares	Amount	Shares to be issued	Contributed surplus	Deficit		
Balance, December 31, 2022	22,584,451	\$28,782,135	\$ -	\$ 14,142,910	\$(34,653,350)	\$ 8,271,695	
Issued on private placement	2,272,727	2,000,000	-	-	-	2,000,000	
Costs of issue	-	(107,571)	-	-	-	(107,571)	
Shares issued for exploration and evaluation assets	5,000,000	7,250,000	-	-	-	7,250,000	
Warrants issued for exploration and evaluation assets	-	-	-	472,532	-	472,532	
Issued on exercise of stock options	275,000	257,455	40,355	(121,205)	-	176,605	
Share-based compensation	-	-	-	920,236	-	920,236	
Net loss for the year	-	-	-	-	(5,388,882)	(5,388,882)	
Balance, December 31, 2023	30,132,178	\$38,182,019	\$ 40,355	\$ 15,414,473	\$(40,042,232)	\$13,594,615	
Balance, December 31, 2023	30,132,178	38,182,019	40,355	15,414,473	(40,042,232)	13,594,615	
Issued on private placement	1,414,998	1,061,249	-	-	-	1,061,249	
Share issuance costs	-	(48,038)	-	-	-	(48,038)	
Shares to be issued	-	-	(40,355)	-	-	(40,355)	
Issued on exercise of stock options	225,000	282,132	-	(133,382)	-	148,750	
Share-based compensation	-	-	-	535,841	-	535,841	
Net loss for the year	-	-	-	-	(4,774,625)	(4,774,625)	
Balance, December 31, 2024	31,772,176	\$39,477,363	\$ -	\$ 15,816,932	\$(44,816,857)	\$10,477,437	

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

NORTH PEAK RESOURCES LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the Year Ended December 31,	2024	2023
Operating activities		
Net loss for the year	\$ (4,774,625)	\$ (5,388,882)
Share-based compensation	535,841	920,236
Depreciation of right-of-use assets	48,257	74,468
Depreciation of equipment	49,122	28,545
Accretion of lease liability	7,668	9,328
Non-cash working capital items		
Prepaid and sundry receivable	(23,556)	(40,078)
Accounts payable and accrued liabilities	(383,223)	398,063
	(4,540,516)	(3,998,320)
Investing activities		
Acquisition of equipment	-	(210,156)
Property acquisition costs	(598,944)	(521,637)
	(598,944)	(731,793)
Financing activities		
Private placement, net of fees	1,013,212	1,892,430
Proceeds received on exercise of options	148,750	136,250
Repayment of lease obligations	(54,040)	(81,790)
	1,107,922	1,946,890
Net change in cash	(4,031,538)	(2,783,223)
Cash, beginning of the year	5,304,713	8,087,936
Cash, end of the year	\$ 1,273,175	\$ 5,304,713
Supplementary Cash Flow Information:		
Shares issued on property acquisition (note 5)	\$ -	\$ 7,250,000

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

NORTH PEAK RESOURCES LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024, and 2023
(Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

North Peak Resources Ltd. (“**North Peak**” of the “**Company**”) was incorporated and organized on March 28, 2011, under the laws of Alberta, Canada. The Company is a Canadian based gold exploration and development company listed on the TSX Venture Exchange (the “**Exchange**”) under the symbol “NPR”.

The Company is currently focused on exploring and developing the Prospect Mountain Property (“**Prospect Mountain Property**”) in Eureka, Nevada, of which the Company holds an initial 80% interest in the project. The Company also holds an option to acquire 100% interest in the Kenogami Lake project (the “**Kenogami Option**”), which is also a gold exploration property and is located 15 kilometres southwest of Kirkland Lake, Ontario consisting of twenty-seven mineral claims totaling approximately 500 hectares (the “**Kenogami Property**”).

The head office of the Company is located at 30th Floor, 421 7th Avenue SW, Calgary, Alberta T2P 4K9 and the registered office is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

These consolidated financial statements were prepared on a going-concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned revenue and has an accumulated deficit of \$44,816,857 at December 31, 2024. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material. Management has and will pursue financing and alternative funding options, when necessary, to meet the Company's requirements on an ongoing basis.

2. Basis of Preparation and Measurement

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and interpretations issued by the Interpretations Committee.

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. References to “US\$” are for United States Dollars. Certain prior period amounts have been reclassified to conform to the presentation in the current period.

These consolidated financial statements were approved by the Board of Directors of the Company on April 10, 2025.

Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary North Peak (Nevada) Ltd. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Foreign Currency Translation

The functional and presentation currency of the Company is the Canadian dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses on translation are included in profit and loss.

NORTH PEAK RESOURCES LTD.
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(Expressed in Canadian Dollars)

3. Material Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, term deposits, and highly liquid instruments with a maturity of three months or less at the time of issuance or which are readily convertible to known amounts at any time without penalty. The Company's cash is invested in business operating accounts with major financial institutions and higher yield investment and savings accounts that are available on demand by the Company to fund its exploration programs.

Investments

Investments consist of a short-term, highly liquid investment, readily convertible to known amounts of cash, subject to an insignificant risk of a change in value. As at December 31, 2024, the Company held General Investment Certificates ("**GIC's**") of \$100,000 (2023 - \$100,000).

Financial Instruments

Financial Assets

Recognition and Initial Measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and Subsequent Measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of investment and accounts receivable.
- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss. The Company does not hold any financial assets measured at fair value through other comprehensive income.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income, and changes in the financial assets' carrying amount, are recognized in profit or loss. Financial assets mandatorily measured at fair value through profit or loss are comprised of cash.

NORTH PEAK RESOURCES LTD.
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- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income, and changes in the financial assets' carrying amount, are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss. The entity does not hold any equity investments.

Business Model Assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of Financial Assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial Liabilities

Recognition and Initial Measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

NORTH PEAK RESOURCES LTD.
Notes to the Consolidated Financial Statements
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(Expressed in Canadian Dollars)

Classification and Subsequent Measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains, and losses relating to a financial liability, are recognized in profit or loss.

Derecognition of Financial Liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

Exploration, Evaluation and Resource Property Acquisition Costs

The Company is in the exploration stage with respect to its investment in resource property costs and accordingly follows the practice of capitalizing significant acquisition costs on active exploration properties and expensing exploration and evaluation expenditures. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of an impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognizes, in income, costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount of the mineral properties.

All capitalized acquisition expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Property and equipment

All property and equipment is recorded at cost, less accumulated depreciation and impairment losses, if any. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, borrowing costs directly associated with the item and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a declining balance basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land typically has an unlimited useful life and is not depreciated.

Depreciation is calculated on a declining balance basis using the following rates:

Vehicle	30%
Equipment	20%

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(Expressed in Canadian Dollars)

Leases and Right-of-Use Assets

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company, and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

A lease liability is initially measured at the present value of the unpaid lease payments. Subsequently, the Company measures a lease liability by: (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made, and (c) re-measuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income Taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred

tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

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

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Loss Per Share

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year.

Diluted loss per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased, using the treasury stock method, to include common shares potentially issuable from the assumed exercise of stock options and other instruments, if dilutive.

In the Company's case to date, these potential issuances are anti-dilutive as they would decrease the loss per share; consequently, the amounts calculated for basic and diluted loss per share are the same.

Share-Based Payments

The Company grants stock options to acquire common shares of the Company to directors, officers, consultants and employees. Equity-settled share-based payments issued under the incentive plan are measured at the fair value of the equity instruments at the grant date. The fair value is calculated using the Black-Scholes option valuation model and this amount is expensed over the vesting term, based on the estimate of equity instruments that will eventually vest, crediting the amounts to contributed surplus.

Estimates of the number of equity instruments expected to vest are revised at the end of each reporting year, recognizing the impact of revising the original estimates, if any, in profit or loss so the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. When options are exercised, the proceeds are credited, together with the amount originally credited to contributed surplus, to share capital.

In the case of consultants, the value of the options is measured based on the fair value of goods or services provided, unless it cannot be reliably determined, in which case the options are also measured using the Black-Scholes method.

Provision for Expected Credit Losses ("ECL")

The Company performs impairment testing annually for accounts receivable in accordance with IFRS 9. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. IFRS 9 outlines a three-stage approach to recognize ECLs which is intended to reflect the increase in credit risks of a financial instrument based on 1) 12 - month expected credit losses or 2) lifetime expected credit losses. The Company measures provisions for ECLs at an amount equal to lifetime ECLs. The Company applies the simplified approach to determine ECLs on accounts receivable by using a provision matrix based on historical credit loss experiences. The historical results were used to calculate the run rates of default which were then applied over the expected life of the trade receivables, adjusted for forward looking estimates.

Adoption Of New Accounting Standards

IAS 1, Presentation of Financial Statements ("**IAS 1**"): In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Effective January 1, 2024, the Company adopted these amendments, which did not have a material effect on these consolidated financial statements.

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Accounting Standards Issued But Not Yet Adopted

IFRS 18, Presentation and Disclosure in Financial Statements (“**IFRS 18**”): In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of profit or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures.

4. Significant Accounting Judgments and Estimates

Preparing financial statements that conform with IFRS requires management to make judgments, estimates, and assumptions affecting the reported amounts of assets and liabilities and disclosures at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Significant judgments in applying accounting policies

These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future that management has made could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that, actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration, Evaluation and Resource Property Acquisition Costs

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future exploration and development, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change significantly if new information becomes available.

Provisions and contingent liabilities

The Company judges whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying this type of liability often involves judgments and estimations. These judgments are based on many factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

Functional Currency

The functional currency of the Company and its subsidiary is the Canadian Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the location of the primary economic environment. The Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Going Concern

The assessment of the Company’s ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

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Income Taxes and Recovery of Deferred Tax Assets

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

Accounting Treatment of Prospect Mountain Acquisition

Management exercised judgement in determining the appropriate IFRS to apply in accounting for the Prospect Mountain acquisition. Specifically, an evaluation of IFRS 11, Joint Arrangements, IFRS 10 Consolidated Financial Statements and IAS 28, Investments in Associates and Joint Ventures. Largely due to the optionality of the Prospect Mountain agreement, management determined the acquisition, and ensuing costs, were in scope of IFRS 6, Exploration for and Evaluation of Mineral Resources.

Sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, which could result in a material adjustment to the carrying amounts of assets and liabilities, relate to the following:

The recoverability of exploration and evaluation properties

The Company's management reviews the carrying values of its exploration and evaluation properties at the end of each reporting period to determine if there is an impairment. The recovery of carrying amounts depends on confirmation of the Company's interest in the underlying mineral claims, the Company's ability to obtain the necessary financing to complete the exploration and development, and future profitable production or proceeds from the disposition thereof.

Valuation of stock options and equity-settled share-based payment transactions

The determination of the fair value of stock options is not based on historical cost but derived from subjective assumptions that are put into an option pricing model. The model requires management to forecast future events, including estimates of the average future hold year of issued stock options before exercise, expiry, or cancellation, future volatility of our share price during the expected hold year (using historical volatility as a reference), and the appropriate risk-free interest rate.

Shares Issued for Non-cash Consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

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5. Exploration and Evaluation Assets

	2024	2023
<u>The Prospect Mountain Property, Nevada, USA</u>		
Balance, beginning of year	\$ 8,244,169	\$ -
Acquisition costs ^(a)	598,943	8,244,169
Balance, end of year	\$ 8,843,112	\$ 8,244,169
<u>The Kenogami Property, Ontario, Canada</u>		
Balance, beginning and end of year	\$ 95,000	\$ 95,000
Total exploration and evaluation assets, end of year	\$ 8,938,112	\$ 8,339,169

a) On August 17, 2024, the Company made the second cash payment of \$527,708 to Solarljøs as required by the acquisition agreement relating to the Company's acquisition of the 80% interest in the Prospect Mountain Property. It also includes \$71,235 of interest payments.

The Prospect Mountain Property, Nevada, USA

In May 2023, (i) the Company entered into an agreement to acquire the Prospect Mountain Property from Solarljøs LLC ("**Solarljøs**") and Gullsil LLC of Nevada (each controlled by the Erickson family of Nevada) (the "**Acquisition**"), and (ii) the Exchange approved the Acquisition. The mining claims and rights that constitute the Prospect Mountain Property have been transferred into a Nevada LLC, named North Peak Gold LLC. The Company now holds an 80% initial interest in North Peak Gold LLC (the "**80% Initial Interest**") and Solarljøs holds the remaining 20% interest. Solarljøs is not required to contribute any funds or assume any liabilities for the benefit of North Peak Gold LLC or in connection with exploration and operations at the Prospect Mountain Property on account of its 20% interest.

In connection with the Acquisition, (i) on August 22, 2023 the Company issued 5,000,000 common shares ("**Common Shares**") to Solarljøs, (ii) effective August 25, 2023, Ty Erickson was appointed to the Board of Directors of the Company, and (iii) on November 17, 2023 the Company issued 340,000 Common Share purchase warrants with an exercise price of \$1.34 per share (ascribed a fair value of \$472,532 (note 9)) and a five-year term, to those persons designated by Solarljøs.

The Company has the right to acquire the remaining 20% interest held by Solarljøs (the "**Right**") by issuing an additional 3,000,000 Common Shares to Solarljøs. The Company has until mid-November 2026 to exercise the Right. However, if the Company decides not to exercise the Right within this time period, then the 80% Initial Interest is to be transferred to Solarljøs, who will then return to the Company the 5,000,000 Common Shares that have been issued to it.

Other material terms of the Acquisition include:

- the Company has undertaken to complete a minimum three-year exploration program at the Prospect Mountain Property where expenditures will total no less than US\$1 million per year;
- the Company is to make cash payments of US\$385,000 in total per year, for each of the first three years following completion of the Acquisition (the Company made the initial US\$385,000 (CAD\$521,637) payment in 2023, and has made the second payment on August 17th, 2024, US\$385,000 (CAD\$527,708).
- Solarljøs has been granted a 1% NSR royalty on any mineral production from the Prospect Mountain Property.

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The Kenogami Property, Ontario, Canada

The Company acquired the Kenogami Option in connection with the Company's change of business transaction to become a mining issuer (the "**COB Transaction**"), which was completed on June 26, 2020. The terms of the Kenogami Option require the Company to make an initial cash payment of \$35,000 (paid), and the Company has completed the following other conditions to exercise: (1) issued 25,000 Common Shares (post-consolidation) effective upon issuance of the 43-101 technical report on the Kenogami Property (completed – issued the Common Shares on July 2, 2020, and ascribed a fair value of \$19,500); and (2) incurred \$100,000 of exploration expenditures on the Kenogami Property and issued an additional 50,000 Common Shares to the optionor (completed, with corresponding Common Shares issued November 10, 2021, and ascribed a fair value of \$40,500). The remaining condition for the exercise of the Kenogami Option is the Company incurring no less than \$150,000 of exploration expenditures on the Kenogami Property on or before January 5, 2026.

The Company continues to assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining \$150,000 work commitment.

6. Right-of-Use Assets

Right-of-use assets at December 31, 2022	61,009
Additions	87,128
Depreciation	(74,468)
Balance, December 31, 2023	\$ 73,669
Depreciation	(48,257)
Balance, December 31, 2024	\$ 25,412

Right-of-use assets consist of a facility lease amortized over 24 months.

7. Lease Obligation

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate.

The continuity of the lease liabilities are presented in the table below:

Balance, December 31, 2022	\$ 64,272
Additions	87,129
Accretion expense	9,328
Lease payments	(81,790)
Balance, December 31, 2023	\$ 78,939
Accretion expense	7,668
Lease payments	(54,040)
Balance, December 31, 2024	\$ 32,567
As at December 31, 2024:	
Less than one year	\$ 32,567
Greater than one year	-
Total lease obligation	\$ 32,567

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Maturity Analysis - Contractual Undiscounted Cash Flows

As at December 31, 2024:		
Less than one year	\$	33,587
Greater than one year		-
Total undiscounted lease obligation	\$	33,587

8. Share Capital

- a) Authorized share capital - at December 31, 2024, the authorized share capital consisted of an unlimited number of Common Shares. The Common Shares do not have a par value. All issued shares are fully paid.
- b) Common Shares issued - the holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share ratably the remaining assets of the Company.

The number of Common Shares issued and outstanding as at December 31, 2024, and December 31, 2023, is as follows:

	Common Shares(#)	Amount
Balance, December 31, 2022	22,584,451	\$ 28,782,135
Issued on private placement (i)	2,272,727	2,000,000
Costs of issue (i)	-	(107,571)
Issued on property acquisition (note 5)	5,000,000	7,250,000
Issued on exercise of stock options	275,000	257,455
Balance, December 31, 2023	30,132,178	\$ 38,182,019

	Common Shares(#)	Amount
Balance, December 31, 2023	30,132,178	\$ 38,182,019
Issued on private placement (ii)	1,414,998	1,061,249
Costs of issue (ii)	-	(48,038)
Issued on exercise of stock options	225,000	282,132
Balance, December 31, 2024	31,772,176	\$ 39,477,363

- i) On May 24, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of \$2,000,000, issuing 2,272,727 Common Shares at a price of \$0.88 per Common Share. Costs of issue and commissions totaling \$107,571 were paid.
- ii) On November 5, 2024, the Company closed a non-brokered private placement for aggregate gross proceeds of \$1,061,249, issuing 1,414,998 Common Shares at a price of \$0.75 per Common Share. Costs of issue and commissions totaling \$48,038 were paid.

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9. Warrants

In connection with the private placement closed on November 5, 2024, 64,050 warrants were issued as finders fees. These warrants are non-transferable, have an exercise price of \$0.90 per share, and expire 24 months from the date of issuance. The fair value of the warrants of \$26,811 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 163%; a risk-free interest rate of 3.01%, and an expected life of 2 years.

The following table reflects the continuity of warrants for the years ended December 31, 2024 and 2023:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022	1,249,988	\$ 3.50
Expired*	(1,249,988)	3.50
Issued**	340,000	1.34
Balance, December 31, 2023	340,000	\$1.34
Issued	64,050	0.90
Balance, December 31, 2024	404,050	\$1.27

**During the year ended December 31, 2023, 1,249,988 warrants with an exercise price of \$3.50 expired.*

The following table reflects the warrants outstanding as at December 31, 2024:

Expiry Date	Exercise Price	Life Remaining	Warrants Outstanding	Black-Scholes Value
November 17, 2028**	\$ 1.34	3.91 years	340,000	\$ 472,532
November 6, 2026	\$ 0.90	1.84 years	64,050	\$ 26,811

***The resulting fair value of \$472,532 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.82%, and an expected life of 5 years.*

10. Stock Options

The Company has adopted a stock option plan which provides that the Board of Directors of the Company may grant options to purchase common shares of the Company to directors, officers, employees and consultants, up to a maximum of 10% of the total issued and outstanding Common Shares. The Board in its sole discretion may determine the vesting conditions for options, and the exercise price shall be determined by the Board at the time of grant in accordance with the provisions of the plan. The Company uses the Black Scholes option pricing model to determine the fair value of stock options granted.

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The following table reflects the continuity of stock options for the year ended December 31, 2024:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2023	2,725,000	\$1.15
Granted (i)	200,000	\$1.00
Expired	(175,000)	\$2.30
Exercised	(225,000)	\$1.55
Balance, December 31, 2024	2,525,000	\$2.22

- i. On July 5, 2024, the Company granted 200,000 stock options at an exercise price of \$1.00 per share, vesting one-half immediately and the remaining one-half on July 5, 2025, expiring five years from the date of grant. The resulting fair value was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 115%; a risk-free interest rate of 3.10%, an expected life of 5 years, and a forfeiture rate of nil.

The following table reflects the continuity of stock options for the year ended December 31, 2023:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
Balance, December 31, 2022	2,122,500	\$1.42
Granted (i), (ii), (iii), (iv)	1,025,000	\$1.38
Expired	(147,500)	\$7.92
Exercised	(275,000)	\$0.50
Balance, December 31, 2023	2,725,000	\$1.15

- ii. On April 12, 2023, the Company granted 195,000 stock options to two consultants at an exercise price of \$0.76 per share, vesting one-half immediately and the remaining one-half on April 12, 2024, expiring five years from the date of grant. The resulting fair value was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.04%, an expected life of 5 years, and a forfeiture rate of nil.
- ii. On June 23, 2023, the Company granted 245,000 stock options to consultants at an exercise price of \$1.60 per share, vesting one-half immediately and the remaining one-half on June 26, 2024, expiring five years from the date of grant. The resulting fair value was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.70%, an expected life of 5 years, and a forfeiture rate of nil.
- iii. On September 15, 2023, the Company granted 525,000 stock options to consultants at an exercise price of \$1.53 per share, vesting one-half immediately and the remaining one-half on September 15, 2024, expiring five years from the date of grant. The resulting fair value was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 4.02%, an expected life of 5 years, and a forfeiture rate of nil.
- iv. On November 13, 2023, the Company granted 60,000 stock options to consultants at an exercise price of \$1.12 per share, vesting one-half immediately and the remaining one-half on November 13, 2024, expiring five years from the date of grant. The resulting fair value of \$73,254 was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 126%; a risk-free interest rate of 3.94%, an expected life of 5 years, and a forfeiture rate of nil.

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The total non-cash share-based compensation expense for the year ended December 31, 2024 was \$535,841 (year ended December 31, 2023 - \$920,236).

The following table summarizes the stock options outstanding at December 31, 2024, of which 2,145,000 were exercisable, and have a weighted average remaining life of 2.04 years.

Expiry Date	Exercise Price	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
April 12, 2028	\$ 0.76	3.23 years	195,000	\$ 159,179
June 26, 2028	1.60	3.44 years	195,000	272,343
July 2, 2025	0.55	0.45 years	975,000	483,095
November 11, 2026	0.81	1.87 years	25,000	20,560
December 2, 2026	1.28	1.85 years	65,000	71,916
December 10, 2026	1.55	1.84 years	15,000	20,581
December 17, 2026	1.90	1.91 years	200,000	378,280
February 1, 2027	2.10	2.03 years	25,000	55,348
February 17, 2027	2.87	2.08 years	70,000	200,186
September 15, 2028	1.53	3.66 years	525,000	403,358
November 13, 2028	1.12	3.87 years	35,000	42,732
July 5, 2029	1.00	4.46 years	200,000	163,220
	\$ 1.06	2.04 years	2,525,000	\$ 2,270,798

11. General and administrative expenses

Year ended December 31,	2024	2023
Management fees, wages and benefits	\$ 524,261	665,334
Filing and transfer agent fees	58,142	96,201
Insurance	67,994	59,343
Office, IT and general	38,248	52,746
Rent, foreign exchange and other	94,818	185,024
	\$ 783,462	1,058,648

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12. Exploration and evaluation expenses

	Year Ended December 31,	
	2024	2023
Prospect Mountain Project		
Drilling	\$ 998,031	925,288
Project management	383,307	228,661
Camp support	440,493	466,516
Geological	429,193	410,091
Geophysics	89,013	385,321
Assays	597,783	145,106
Mapping	76,654	90,586
Field supplies	49,123	278,294
	\$ 3,063,597	2,929,863
Black Horse Project		
	2,354	88,297
Investigation of Prospective Properties		
	-	92,283
Total Exploration Expenses for the Year	\$ 3,065,951	3,110,443

13. Related Party Transactions and Key Management Compensation

a) Key management compensation

The Company incurred charges with directors, officers (Chief Executive Officer, Chief Financial Officer, and Director of Corporate Development who are the key personnel), and a company founded by a common director. Key management personnel have the authority and responsibility to plan, direct, and control the activities of the Company and receive compensation for services rendered in that capacity. Amounts paid to related parties were incurred in the normal course of business. Salaries, benefits, consulting fees and director's fees are recorded at the exchange amount while share-based compensation is measured at the fair value of the instruments issued, with the expense recognized over the relevant vesting periods.

Compensation awarded to key management for the year ended December 31, 2024 and 2023 was:

Year Ended December 31,	2024	2023
Management fees, wages and benefits	\$ 481,535	584,867
Share-based compensation expense officers and directors	277,300	330,943
	\$ 758,835	915,810

Additionally, during the year ended December 31, 2024, the Company paid legal fees of \$161,179 (2023: \$191,597) to a law firm for which a director is a founder. Additionally, during the year ended December 31, 2024, bookkeeping, office, and regulatory filing support fees of \$24,699 (2023 - \$71,021) were paid to a company for which a director is the president. Lastly, during the year ended December 31, 2024, accrued interest charges of \$71,375 (\$nil – 2023) were paid to a company with a common director.

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These transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors, in strict adherence to conflict of interest laws and regulations. As at December 31, 2024, the Company \$15,607 was included in accounts payable and accrued liabilities in relation to these amounts (December 31, 2023 - \$47,235).

14. Capital Management

The Company manages its capital with the following objectives: to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and to maximize shareholder return through enhancing share value.

The Company manages, and makes adjustments to, the capital structure as a result of changes in economic conditions, and the risk characteristics of the Company's assets, in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at December 31, 2024 totaled \$10,477,437 (2023 - \$13,594,615). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its development and exploration properties. The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2024.

15. Financial Risk Management

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are: liquidity risk, credit risk, and market risk.

a) Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered or slowed due to a decline in the stock market or other macroeconomic factors. As at December 31, 2024, the Company had a cash balance of \$1,273,175 (December 31, 2023 - \$5,304,713) to settle current liabilities of \$175,545 (2023 - \$536,733). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity and financial flexibility.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. At December 31, 2024, the Company has no sources of revenue to fund its exploration and development expenditures and relies on non-brokered private placements to fund its operations. The Company's current cash balance is sufficient to fund the remainder of the 2025 work program as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives and has an experienced management team and Board of Directors to assist with managing liquidity risk.

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b) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and investments. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

c) Market Risk

1) Interest rate risk

The Company has cash balances with rates that fluctuate with prevailing market rates and has no current debt. The Company's current policy is to invest cash in cash accounts or short-term interest-bearing securities issued by high quality financial institutions and chartered banks. The Company monitors its cash and investments as well as the credit ratings of its banks.

2) Currency risk

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian dollar would not likely have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk, however exchange rates are continually monitored for any significant changes. A portion of the Company's exploration expenses are paid in USD, and the Company frequently converts a portion of its CAD cash balances into USD to reduce its currency risk exposure related to the CAD when required or deemed appropriate or advantageous due to timing or opportunities in currency markets. The Company is mainly exposed to foreign currency risk on financial instruments consisting of trade payables denominated in USD and GBP, however a 10% movement in foreign exchange rates would not have a material impact on the net loss for the year ended December 31, 2024, or year the ended December 31, 2023.

3) Price risk

The Company is exposed to price risk with respect to precious metal commodity prices and the prices of equity securities. Equity security price risk is defined as the potential adverse impact on the Company's net income or loss due to movements in individual prices of equity securities or price movements in the stock market generally. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movement and volatility. The Company closely monitors commodity prices, particularly as they relate to gold and silver and movements in the price of individual equity securities, and movements in macroeconomic trends and market cycles.

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16. Income Taxes

The reported recovery of income taxes differs from the amounts computed by applying the combined Canadian federal and provincial income tax rates to the reported loss before income taxes due to the following:

	2024	2023
Income before taxes	\$ (4,774,625)	\$ (5,388,883)
Combined statutory income tax rate	26.50%	26.50%
Expected income tax expense (recovery)	\$ (1,265,137)	\$ (1,428,054)
Share-based payments	141,998	243,863
Capitalized share issue costs and E&E	638,393	(1,400,056)
Permanent differences and other	(546,342)	782,492
Change in deferred income tax asset not recognized	1,031,088	1,801,757
Income tax recovery (expense)	\$ -	\$ -

The significant components of the Company's deferred income taxes are as follows as at December 31:

	2024	2023
Deferred income taxes		
Exploration and evaluation	\$ 2,352,645	\$ 2,332,085
Share-issue costs and other	30,024	95,561
Non-capital losses carried forward	<u>6,530,031</u>	<u>5,453,966</u>
Deferred tax asset (liability)	8,912,700	7,881,612
Less: deferred tax assets not recognized	(8,912,700)	(7,881,612)
	\$ -	\$ -

As at December 31, 2024, the Company has estimated non-capital losses of \$24,594,625 available to reduce future taxable income, expiring at various dates between 2035 and 2044.

The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

17. Subsequent Events

- a) On February 28, 2025, the Company announced that it intends to complete a non-brokered private placement of up to 10,000,000 equity units of the Company at a price of \$0.60 per unit for gross proceeds of up to \$6,000,000.
- b) On March 10, 2025, the Company granted 300,000 incentive stock options to the Chief Executive Officer at an exercise price of \$0.61 per share, vesting one-half immediately and the remaining one-half on the first-year anniversary of the date of grant, for a term of 5 years.