EURO SUN MINING

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in United States Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Euro Sun Mining Inc.

Opinion

We have audited the consolidated financial statements of Euro Sun Mining Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at December 31, 2024, the Company reported an accumulated deficit and a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that 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 of the current period. 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. Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

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Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

McGovern Hurley

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks 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 audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Regina Kwong.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 28, 2025

EURO SUN MINING INC.

Consolidated statements of financial position
(Expressed in United States dollars)

As at:		**December 31, 2024**		December 31, 2023
Assets				
Current assets				
Cash	**$**	**116,347**	$	45,024
Restricted deposits (Note 2)		**17,374**		18,902
Prepaid expenses and sundry receivables		**355,823**		357,387
Total current assets	**$**	**489,544**	$	421,313
Non-current assets				
Property and equipment (Note 4)		**236,371**		251,689
Total assets	**$**	**725,915**	$	673,002
Liabilities				
Current liabilities				
Trade and other payables (Note 5 and Note 9)	**$**	**2,590,828**	$	2,905,387
Deferred share unit liability (Note 6)		**24,394**		17,636
Debenture (Note 12)		**-**		614,734
Loan payable (Note 13)		**243,241**		85,603
Deposit (Note 14)		**-**		1,986,617
Total liabilities	**$**	**2,858,463**	$	5,609,977
Shareholders' deficiency				
Share capital (Note 7 (b))	**$**	**243,977,343**	$	242,266,743
Shares to be issued (Note 7 (b))		**69,590**		-
Contributed surplus (Note 7 (c))		**863,539**		1,069,037
Warrants (Note 7 (d))		**2,088,458**		1,788,378
Accumulated deficit		**(249,478,689)**		(250,104,452)
Accumulated other comprehensive loss		**347,211**		43,319
Total shareholders' deficiency	**$**	**(2,132,548)**	$	(4,936,975)
Total liabilities and shareholders' deficiency	**$**	**725,915**	$	673,002

Nature of operations and going concern (Note 1)
Commitments and contingencies (Notes 8, 10, 13)
Subsequent events (Note 20)

Approved by the Board of Directors on March 28, 2025:

"Grant Sboros", Director "*Deborah Battiston*", Director

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

EURO SUN MINING INC.

Consolidated statements of income (loss) and comprehensive income (loss)
(Expressed in United States dollars)

		Year ended December 31, 2024		Year ended December 31, 2023
Expenses				
Consulting and management fees (Note 9)	**$**	**710,109**		799,491
Professional fees		**111,071**		83,393
General office expenses		**47,784**		53,819
Travel expenses		**43,847**		86,671
Shareholder communications and filing fees		**66,108**		82,271
Share-based compensation (Note 6, 7 (c) and 9)		**8,596**		667,183
Exploration and evaluation expenditures (Note 8)		**1,275,778**		1,740,299
Change in fair value of convertible security (Note 11)		**-**		301,379
Loss on foreign exchange		**151**		(87,908)
Interest income		**(903)**		(2,851)
Interest expense		**12,071**		4,801
Loss on asset disposal		**-**		3,737
Financing expense (Note 15)		**100,971**		164,948
Gain on extinguishment of convertible security (Note 11)		**-**		(34,510)
Loss on convertible security (Note 11)		**-**		185,119
Accretion expense (Note 15)		**10,455**		6,508
Royalty income (Note 14)		**(2,834,428)**		-
Net income (loss) for the year	**$**	**448,390**	$	(4,054,350)
Other comprehensive income (loss)				
Items that will subsequently be reclassified to operations:				
Currency exchange translation adjustments		**303,892**		(142,721)
Other comprehensive income (loss) for the year	**$**	**303,892**	$	(142,721)
Net comprehensive income (loss) for the year	**$**	**752,282**	$	(4,197,071)
Basic and diluted income (loss) per share (Note 16)	**$**	**-**	$	(0.01)
Weighted average number of common shares outstanding - basic (Note 16)		**334,928,557**		293,247,954
Weighted average number of common shares outstanding - diluted (Note 16)		**345,870,921**		293,247,954

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

EURO SUN MINING INC.

Consolidated statements of changes in shareholders' deficiency
(Expressed in United States dollars)

	Share capital	Shares to be issued	Warrants	Contributed surplus	Accumulated deficit	Accumulated other comprehensive loss	Shareholders' deficiency
Balance, December 31, 2022	$ 239,495,678	$ -	$ 4,379,259	$ 1,782,371	$ (250,017,006)	$ 186,040	$ (4,173,658)
DSUs and RSUs issued (Note 6)	-	-	-	637,386	-	-	637,386
Stock options granted (Note 7 (c))	-	-	-	248,477	-	-	248,477
Stock option expiry (Note 7 (c))	-	-	-	(1,052,977)	1,052,977	-	-
Security conversion (Note 7 (b))	1,120,578	-	-	-	-	-	1,120,578
Termination settlement (Note 7 (b))	449,674	-	-	-	-	-	449,674
RSUs converted (Note 7 (b))	315,815	-	-	(315,815)	-	-	-
DSUs converted (Note 6)	230,405	-	-	(230,405)	-	-	-
Private placement (Note 7 (b))	731,479	-	107,497	-	-	-	838,976
Share issuance costs (Note 7 (b))	(76,886)	-	-	-	-	-	(76,886)
Warrant issued (Note 7 (d))	-	-	215,549	-	-	-	215,549
Warrant expiry (Note 7 (d))	-	-	(2,913,927)	-	2,913,927	-	-
Net loss and comprehensive loss	-	-	-	-	(4,054,350)	(142,721)	(4,197,071)
Balance, December 31, 2023	$ 242,266,743	$ -	$ 1,788,378	$ 1,069,037	$ (250,104,452)	$ 43,319	$ (4,936,975)
Stock option expiry (Note 7 (c))	-	-	-	(177,373)	177,373	-	-
Promissory note conversion (Note 15)	735,455	-	-	-	-	-	735,455
Private placement (Note 7 (b))	589,685	69,590	300,080	-	-	-	959,355
Share issuance costs (Note 7 (b))	(23,616)	-	-	-	-	-	(23,616)
RSUs issued (Note 6)	-	-	-	380,951	-	-	380,951
RSUs converted (Note 6)	380,951	-	-	(380,951)	-	-	-
DSUs converted (Note 6)	28,125	-	-	(28,125)	-	-	-
Net income and comprehensive income	-	-	-	-	448,390	303,892	752,282
Balance, December 31, 2024	$ 243,977,343	$ 69,590	$ 2,088,458	$ 863,539	$ (249,478,689)	$ 347,211	$ (2,132,548)

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

EURO SUN MINING INC.

Consolidated statements of cash flows
(Expressed in United States dollars)

		Year ended December 31, 2024		Year ended December 31, 2023
Cash flows from operating activities				
Income (loss) for the year	**$**	**448,390**	$	(4,054,350)
Adjustment for:				
Depreciation (Note 4)		**15,318**		53,743
Change in fair value of convertible security (Note 11)		**-**		301,379
Interest income		**(903)**		(2,851)
Share-based compensation (Note 6 and Note 7 (c))		**8,596**		667,183
Loss on asset disposal (Note 4)		**-**		3,737
Loss on convertible security (Note 11)		**-**		185,119
Gain on extinguishment of convertible security (Note 11)		**-**		(34,510)
Non-cash financing fees		**-**		164,948
Accretion expense (Note 15)		**10,455**		6,508
Non-cash interest expense		**-**		2,385
Royalty income (Note 14)		**(2,578,075)**		-
Financing fees		**45,266**		-
	$	**(2,050,953)**	$	(2,706,709)
Prepaid expenses and sundry receivables		**1,564**		(89,708)
Trade and other payables (Note 5 and Note 9)		**64,554**		421,183
Net cash from operating activities	**$**	**(1,984,835)**	$	(2,375,234)
Cash flows from investing activities				
Interest income		**903**		2,851
Purchase of restricted deposits		**-**		(18,226)
Net cash from investing activities	**$**	**903**	$	(15,375)
Cash flows from financing activities				
Convertible security repayment (Note 11)		**-**		(1,800,810)
Private placement (Note 7 (b))		**889,765**		838,976
Share issuance costs (Note 7 (b))		**(23,616)**		(76,886)
Proceeds from shares to be issued (Note 7 (b))		**69,590**		-
Convertible promissory note proceeds (Note 15)		**725,000**		-
Debenture proceeds (Note 12)		**-**		660,000
Loan proceeds (Note 13)		**243,241**		80,288
Loan repayment (Note 13)		**(85,603)**		-
Royalty deposit (Note 14)		**-**		1,946,729
Cash from financing activities	**$**	**1,818,377**	$	1,648,297
Effect of exchange rate changes on cash	**$**	**236,878**	$	(125,330)
NET CHANGE IN CASH		**71,323**		(867,642)
CASH, beginning of year	**$**	**45,024**	$	912,666
CASH, end of year	**$**	**116,347**	$	45,024
Supplemental cash flow information:				
Warrants issued (Note 7 (b) and Note 11)	**$**	**-**	$	323,346
Conversion of convertible security (Note 11)		**-**		1,120,578
Conversion of promissory note (Note 15)		**735,455**		-
RSU/DSU conversions (Note 6 and Note 7 (c))		**28,125**		395,143
Debenture repayment applied to Royalty payment (Note 12)		**660,000**		-
RSUs issued to settle debt (Note 6 and Note 7 (c))		**380,951**		151,077

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

1. Nature of operations and going concern

Euro Sun Mining Inc., together with its subsidiaries (collectively the "Company"), is a gold and copper exploration and development mining company focused primarily on its 100% owned Rovina Valley Project ("RVP") located in west-central Romania.

The Company was incorporated under the federal laws of Canada (the *Canada Business Corporations Act*) on January 17, 2003, is domiciled in Canada and its common shares are currently posted for trading and listed on the Toronto Stock Exchange ("TSX") under the symbol "ESM". The address of its registered office is 198 Davenport Road, Toronto, Ontario, M5R 1J2.

These consolidated financial statements were prepared on a going concern basis of presentation, which contemplates the realization of assets and settlement of liabilities as they become due in the normal course of operations for the next fiscal year. For the year ended December 31, 2024, the Company incurred net income of $448,390 and as at December 31, 2024, reported an accumulated deficit of $249,478,689 and working capital deficit of $2,368,919 including $116,347 in cash. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These matters represent material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These consolidated financial statements do not reflect adjustments to the carrying value of assets and liabilities or reported expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown as assets of the Company is dependent upon the Company obtaining the necessary financing to complete the exploration of its property, the discovery of economically recoverable reserves, any permitting required for mining activities, including environmental, and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The Company prepares its consolidated financial statements in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

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

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, unless otherwise disclosed. The consolidated financial statements have been prepared on an accrual basis except for cash flow information.

The functional currency of Euro Sun Mining Inc. is the Canadian dollar. The functional currency of SAMAX Romania Limited and SAMAX Romania S.R.L. is the U.S. dollar.

Basis of presentation

The consolidated financial statements of the Company consolidate the accounts of Euro Sun Mining Inc. and its subsidiaries. All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The Company's financial statements consolidate its subsidiaries which comprise the following at December 31, 2024 and 2023:

Name of entity	Country of incorporation	Ownership
SAMAX Romania Limited	Cyprus	100%
SAMAX Romania S.R.L.	Romania	100%

2. Material accounting policies (continued)

Translation of foreign currency

These consolidated financial statements are presented in U.S. dollars (the Company's presentation currency).

Items included in the consolidated financial statements of Euro Sun Mining Inc. and each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Non-monetary items in a foreign currency are measured in terms of historical cost and are translated using the exchange rates on the dates of the initial transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statement of income (loss).

The functional currency of the Parent is the Canadian dollar ("CAD$") and the functional currency of each of its subsidiaries is the U.S. dollar at December 31, 2024 and 2023.

Assets and liabilities of the Parent are translated into the presentation currency at the period end rates of exchange, and the results of their operations are translated at the average rates of exchange for the period. The resulting translation adjustments are recognized in other comprehensive income as cumulative translation adjustments. There is no tax impact on this translation.

Financial instruments

Financial assets

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

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

Subsequent measurement – financial assets at FVTPL
Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of income (loss). There are no assets currently measured as FVTPL.

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

2. Material accounting policies (continued)

Financial instruments (continued)

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

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

The Company does not measure any financial assets at FVOCI.

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

Impairment of financial assets
At each reporting date, the Company assesses whether a financial asset or group of financial assets measured at amortized cost is impaired under the expected credit loss ("ECL") model.

Loss allowances are measured based on ECLs that result from possible default events within the 12 months after the reporting date, or (ii) ECLs that result from all possible default events over the expected life of a financial instrument ("lifetime ECLs"). The loss allowances for the Company's financial assets are recognized at an amount equal to lifetime ECLs, except for bank balances for which credit risk has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

At December 31, 2024 and 2023, the Company assessed its financial assets for impairment and recorded an ECL of $nil.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include trade and other payables, loan payable, debenture, and a deposit liability which are measured at amortized cost, and its deferred share unit liability, and convertible security which are measured at FVTPL. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

2. Material accounting policies (continued)

Subsequent measurement – financial liabilities at FVTPL
Financial liabilities measured at FVTPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVTPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of income (loss).

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

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

Stock options vest over periods ranging from immediate to two years. The fair value of each option is measured at the date of grant using the Black-Scholes option pricing model and recorded as a compensation expense in the period the options are vested, or the performance is complete. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

Any consideration paid on exercise of stock options is credited to share capital. On expiry, any amount related to the initial value of the stock option is recorded to accumulated deficit.

Deferred share unit plan

Non-executive directors and executives are granted Deferred Share Units (“DSUs”) under the terms of the Company’s DSU Plan. Under the terms of the Company’s previous DSU plan, the fair value of DSUs at the time of conversion or award, as applicable, is determined with reference to the weighted average trading price of the Company’s common shares over the five trading days immediately preceding the date of conversion or award, as applicable. The fair value of the DSUs, which are settled in cash, is recognized as a share-based compensation expense with a corresponding increase in liabilities, over the period from the grant date to settlement date. The fair value of the DSUs is marked to the weighed average quoted market price of the Company’s common shares over the five trading days immediately preceding each reporting date with a corresponding change recorded in the consolidated statement of income (loss).

Under the terms of the Company’s new DSU plan, effective from June 2021, the fair value of DSUs at the time of award is determined with reference to the prior day closing price of the Company’s common shares immediately preceding the date of award. Each DSU provides the right to receive a common share or cash equivalent of a common share to the fair market value of the commons hare at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such DSUs using common shares of the Company from treasury, the fair value of the DSUs is recognized as a share-based compensation expense with a corresponding increase in contributed surplus.

2. Material accounting policies (continued)

Restricted share unit plan

Non-executive directors and executives are granted Restricted Share Units (“RSUs”) under the terms of the Company’s RSU Plan. Under the terms of the Company’s RSU plan, effective from June 2021, the fair value of RSUs at the time of award is determined with reference to the prior day closing price of the Company’s common shares immediately preceding the date of award. Each RSU provides the right to receive a common share or cash equivalent of a common share to the fair market value of the commons hare at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such RSUs using common shares of the Company from treasury, the fair value of the RSUs is recognized as a share-based compensation expense with a corresponding increase in contributed surplus.

Production stage

A mine that is under construction is determined to enter the production stage when the project is in the location and condition necessary for it to be capable of operating in the manner intended by management.

When a mine development asset moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either capitalized to inventory or expensed, except for capitalizable costs related to property and equipment additions or improvements, open pit stripping activities that provide a future benefit or expenditures that meet the criteria for capitalization in accordance with International Accounting Standard 16 (“IAS”) IAS 16 Property, Plant and Equipment.

Pre-production stripping costs are capitalized until an ”other than de minimis” level of mineral is extracted, after which time such costs are either expenses, capitalized to inventory or, if it qualifies as an open pit stripping activity that provides a future benefit, capitalized to property and equipment. Various relevant criteria are considered to assess when an “other than de minimis” level of mineral is produced. Some of the criteria considered would include, but not limited to, the following:

- The amount of minerals mined versus total ounces in the life of mine;
- The amount of ore tons mined versus total life of mine expected ore tons mined;
- The current stripping ratio versus the life of mine ratio; and
- The ore grade versus the life of mine grade.

Stripping costs incurred during the production stage of a pit are accounted for as costs of inventory produced during the period that the stripping costs are incurred, unless these costs are expected to provide future economic benefit to the identifiable component of the ore body. Components of the ore body are based on the distinct development phases identified by the mine planning engineers when determining the optimal development plan for the open pit. Production phase stripping costs generate a future economic benefit when the related stripping activity:

- Improves access to a component of the ore body to be mined in the future;
- Increases the fair value of the mine (or pit) as access to future mineral reserves becomes less costly; and
- Increases the production capacity or extends stripping costs that are expected to generate a future economic benefit are capitalized as open pit mine development costs.

Mine development costs are depreciated on a unit of production basis whereby the denominator is the estimated ounces of gold in proven and probable reserves and the portion of resources considered probable of economic extraction based on the current life of mine plan in the current component of the ore body that has been made accessible through strip activity and all future components in the current plan that benefit from the particular stripping activity. Mine development assets are depreciated once the open pit has entered production and the future economic benefit is being derived.

2. Material accounting policies (continued)

Mine development assets

Mine development assets, a component of property and equipment, are accumulated separately for each area of interest in which economically recoverable reserves have been identified. These assets are comprised of expenditures directly attributable to the construction of a mine and the related infrastructure.

General and administration costs are allocated to a development asset only to the extent that those costs can be related directly to development activities in the relevant areas of interest.

No amortization is recognized in respect of development properties until they are at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statement of income (loss) during the period in which they are incurred.

The Company depreciates property and equipment on the straight-line depreciation method. The assets' useful lives are as follows:

Machinery and equipment	-	4-10 years
Vehicles	-	4-5 years
Leasehold Improvements	-	1-10 years

Exploration and evaluation expenditures

Exploration and evaluation expenditures comprise costs of initial search for mineral deposits and performing a detailed assessment of deposits that have been identified as having economic potential.

Exploration and evaluation costs are expensed as incurred and included in the consolidated statement of income (loss) and until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets. Exploration and evaluation costs include an allocation of administration and salary costs as determined by management.

Cash and restricted deposit

Cash consist of deposit accounts with Canadian chartered banks, trust accounts held with Canadian lawyers, and Romanian banks. Restricted deposits consist of highly liquid investments held as collateral for the Company's credit card, such as guaranteed investment certificates that are cashable within three months of the date of original issue.

2. Material accounting policies (continued)

Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of income (loss) except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss, which may differ from earnings reported in the consolidated statement of loss due to items of income or expense that are not currently taxable or deductible for tax purposes, using tax rates substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

The Company records foreign exchange gains or losses representing the impacts of movements in foreign exchange rates on the tax bases of non-monetary assets and liabilities which are denominated in foreign currencies. Foreign exchange gains and losses relating to deferred income taxes are included in deferred income tax expense or recovery in the consolidated statement of income (loss).

The Company recognizes uncertain tax positions in its consolidated financial statements when it is considered more likely than not that the tax position shall be sustained.

Income (loss) per share

Basic income (loss) per share is calculated by dividing net income (loss) attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period. Diluted income (loss) per share is calculated whereby the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options, warrants, RSUs, DSUs, and convertible securities, if dilutive.

2. Material accounting policies (continued)

Provisions

(a) General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of income (loss) net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expense in the consolidated statement of income (loss).

(b) Decommissioning and site rehabilitation

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The liability incorporates consideration of risk by way of adjusting the cash flows and is discounted using a risk-free discount rate. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas.

The obligation is generally considered to have been incurred when the mine assets are constructed or the environment is disturbed at the Company's operations. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased based on the unwind of the discount rate.

The periodic unwinding of the discount is recognized in the consolidated statement of income (loss) as a finance cost. Additional disturbances or changes in rehabilitation costs attributable to development will be recognized as changes to the corresponding assets and rehabilitation liability when they occur.

Where a closure and environmental obligation arises from production activities, the costs are expensed as incurred because there are no associated economic benefits.

Convertible security

The initial fair value of the convertible security was determined by valuing the components of the hybrid financial instrument, including the principal liability component and the conversion option component. At the date of issue, the fair value of the hybrid financial instrument was estimated using the benchmark yields based on the Company's credit rating.

The initial fair value of the convertible component was determined using a Geometric Brownian motion model.

Both components are recorded at fair value at the end of each period with the change in fair value recorded through the consolidated statement of income (loss).

2. Material accounting policies (continued)

Fair value

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Fair value measurement for financial instruments are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Levels 1, 2 or 3). The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets and liabilities. In these consolidated financial statements, DSU liability is included in this category. See Note 6.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. There are no assets or liabilities in this category in these consolidated financial statements.

Level 3 - valuation techniques using the inputs for the asset or liability that are not based on observable market data. In these consolidated financial statements, conversion feature, conversion right and convertible security are included in this category. See Notes 15 and 17.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as “active” if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company's policy for determining when transfers between levels of fair value hierarchy occur is based on the date of the event or changes in circumstances that caused the transfer. During the years ended December 31, 2024 and 2023, there were no transfers between levels.

Impairment of non-financial assets

The Company follows the guidelines prescribed in IAS 36, Impairment of Assets with respect to the measurement for impairment of non-financial assets, which includes the Company’s property and equipment. The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. When the carrying amount exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount of non-financial assets is the greater of fair value less costs to sell and value in use. Impairment losses are recognized in the consolidated statements of income (loss).

2. Material accounting policies (continued)

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In January 2020, IAS 1 – Presentation of Financial Statements was amended to provide a more general approach to classification of liabilities, based on contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. This amendment did not have a significant impact on the consolidated financial statements.

Future accounting standards not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not yet applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investment in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10, and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however, early adoption is permitted.

IFRS 18 - In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

3. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies regarding certain types of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements:

Estimated useful life of property and equipment

Management estimates the useful lives of property and equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at each reporting date and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company’s property and equipment in the future.

Rehabilitation provisions

The Company records management’s best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

3. Critical accounting estimates and judgments (continued)

Share-based payments

The Company grants stock options, RSUs and DSUs to directors, officers, employees and consultants of the Company under its incentive stock option plan and DSU plan. The fair value of stock options is estimated using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management is required to make certain assumptions and estimates such as the life of options, volatility and forfeiture rates. The fair value of RSUs and DSUs is estimated using the current share price and are expensed over their vesting periods. Changes in assumptions used to estimate fair value could result in materially different results.

Mineral reserve estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, “Standards of Disclosure for Mineral Projects”, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management’s assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company’s financial position and results of operation.

Income, value added, withholding and other taxes

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

Contingencies

See Note 10.

3. Critical accounting estimates and judgments (continued)

Convertible security

The initial value of the convertible security was determined by valuing the components of the hybrid financial instrument, including the liability component and the convertible debenture components, which required a number of assumptions. The significant assumptions used in determining the value of the convertible security at issuance date and each subsequent reporting date include the discount rate used in the discounted cash flow of the liability component. In determining the appropriate discount rate, the Company considered rates of benchmark yields based on management's assessment of the Company's credit rating.

Management used significant judgement in determining that the fair value on the convertible security on issuance did not equal the transaction price. The resulting difference between the transaction price and the fair value on initial recognition (the "Day 1 loss") was deferred as the fair value of the convertible security is based on a valuation technique where not all the inputs are observable. The unrecognized Day 1 loss was recorded in net loss only to the extent that it arises from a change in factor that market participants would take into account when pricing the convertible security. The Company believes that time is such a factor specific to the convertible security and the Day 1 loss is recognized on a straight-line basis in the statement of loss over the contractual life of the convertible security.

Fair value of conversion right

The Company values the conversion right related to the royalty agreement using the Monte Carlo simulation methodology. The key estimate in this model relates to the probability of certain events occurring, the Company's share price and future volatility assumptions. These estimates require management to make judgments given the uncertainty surrounding the occurrence of certain events.

Fair value of warrants

The Company valued the warrants issued under the royalty agreement by using a market approach to estimate the value of the royalty right and assess the probability of a third party purchasing the Royalty Right at or above the stated minimum price in the agreement. The key estimate relates to the mineral reserves available in the RVP and the Company's ability to sell the Royalty Right before the expiry of the Royalty Sale Right. The probability used is based on management's judgment including the economic environment and management's ability to obtain the Environmental Resources Management's certificate. See Note 7. Changes in assumptions can materially affect the fair value estimate of the warrants.

Fair value of debenture

The fair value of the debenture at initial recognition is measured using the discounted cash flow model. This model requires management to make various assumptions and estimates that are susceptible to uncertainty. Judgements include considerations of a market rate of interest. The market rate of interest used is based on judgements including the Company's own credit risk, economic environment, term, and interest rate charged to comparable companies. The Company has estimated its market rate of interest to be 15.53%. Changes in assumptions can materially affect the fair value estimate of the debenture.

(Expressed in United States Dollars)

4. Property and equipment

		Leasehold improvements, furniture and fixtures		Machinery, equipment & vehicles		Total
Cost:						
Balance, December 31, 2022	$	329,255	$	294,507	$	623,762
Disposals		(81,895)		-		(81,895)
Balance, December 31, 2023 and December 31, 2024	**$**	**247,360**	**$**	**294,507**	**$**	**541,867**
Depreciation:						
At December 31, 2022	$	76,135	$	238,458	$	314,593
Depreciation charge for the year		33,347		20,396		53,743
Disposals		(78,158)		-		(78,158)
Balance, December 31, 2023	$	31,324	$	258,854	$	290,178
Depreciation charge for the year		**5,360**		**9,958**		**15,318**
Balance, December 31, 2024	**$**	**36,684**	**$**	**268,812**	**$**	**305,496**
Net book value:						
At December 31, 2023	$	216,036	$	35,653	$	251,689
At December 31, 2024	**$**	**210,676**	**$**	**25,695**	**$**	**236,371**

As at December 31, 2024, the carrying value of property and equipment is comprised of $nil in Canada (December 31, 2023 – $nil) and $236,371 in Romania (December 31, 2023 - $251,689).

5. Trade and other payables

		December 31, 2024		December 31, 2023
Trade payables	**$**	**1,510,459**	$	1,809,372
Accrued liabilities		**1,080,369**		1,096,015
	$	**2,590,828**	$	2,905,387

(Expressed in United States Dollars)

6. Deferred share units and restricted share units

Effective January 21, 2010, the Company established a Deferred Share Unit ("DSU") Plan for directors or officers of the Company or any affiliate thereof ("Eligible Person"). Prior to June 2021, a DSU issued was equivalent in value to one common share of the Company based on the five-day average trading price of the Company's common shares on the TSX immediately prior to the date on which the value of the DSU is determined. Upon termination, an eligible person receives a cash payment equivalent to the quoted market value of a common share on the termination date multiplied by the number of DSUs held by them. DSUs that will be settled in cash are recorded as a DSU liability on the consolidated statement of financial position and the liability is based on the weighted average trading price of the Company's common shares over the five trading days immediately preceding the date of the consolidated statement of financial position.

In June 2021, the Company approved a change to the DSU plan such that each DSU will provide the right to receive, on a deferred payment basis, a common share or cash equivalent of a common share in an amount equal to the fair market value of the common share at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such DSUs using common shares of the Company, any DSUs issued after June 2021, are recorded in contributed surplus on the consolidated statement of financial position.

In June 2021, the Company approved a Restricted Share Unit ("RSU") plan, such that every RSU will provide the right to receive a common share or cash equivalent of a common share in an amount equal to the fair market value of the common share at the applicable payment date at the discretion of the Board of Directors. As the Company expects to settle any such RSUs using common shares of the Company, any RSUs issued are recorded in contributed surplus on the consolidated statement of financial position. RSUs are settled on or before December 15 of the third calendar year following the calendar year in which the RSU is granted.

The following transactions occurred during the years noted below:

	DSUs Pre June 2021 Plan	DSUs Post June 2021 Plan	RSUs	Total
Number outstanding, December 31, 2022	866,259	1,751,624	1,578,946	4,196,829
Paid out	(116,259)	-	-	(116,259)
Converted to shares (Note 7 (b))	-	(1,980,384)	(5,680,137)	(7,660,521)
Granted	-	10,663,888	4,495,927	15,159,815
Number outstanding, December 31, 2023	**750,000**	**10,435,128**	**394,736**	**11,579,864**
Converted to shares (Note 7 (b))	**-**	**(637,500)**	**(9,320,894)**	**(9,958,394)**
Granted	**-**	**-**	**9,320,894**	**9,320,894**
Number outstanding, December 31, 2024	**750,000**	**9,797,628**	**394,736**	**10,942,364**

	December 31, 2024	December 31, 2023
Deferred share unit liability	**$ 24,394**	$ 17,636

In January 2023, 888,888 DSUs were granted with a fair value of $49,942 using a share price of CAD$0.08, in February 2023, 5,750,000 DSUs were granted with a fair value of $257,252 using a share price of CAD$0.06, and in April 2023, 4,025,000 DSUs were granted with a fair value of $179,114 using a share price of CAD$0.06. All DSUs granted during the year ended December 31, 2023 vested immediately. 9,388,888 DSUs granted during the year ended December 31, 2023 were granted to officers and directors of the Company.

In May 2023, 4,495,927 RSUs were granted with a fair value of $151,077 using a share price of CAD$0.05. 2,100,000 RSUs granted during the year ended December 31, 2023 were granted to an officer and director of the Company.

(Expressed in United States Dollars)

6. Deferred share units and restricted share units (continued)

In August 2024, 9,320,894 RSUs were granted with a fair value of $380,951 using a share price of $0.04 to settle outstanding liabilities of $380,951. 9,320,894 of these RSUs were converted to shares during the year ended December 31, 2024. 4,577,233 of these RSUs were granted to an officer and director of the Company. There was no gain or loss recorded on the settlement of these liabilities as the recipients were shareholders of the Company prior to the settlement.

As at December 31, 2024, 10,547,628 of the total outstanding DSUs had vested (December 31, 2023 – 11,185,128) and 394,736 of the total outstanding RSUs had vested (December 31, 2023 – 394,736), and a total of 4,500,000 DSUs and no RSUs are held by officers and directors of the Company (December 31, 2023 – 8,750,000 DSUs and no RSUs).

The DSU liability was valued at December 31, 2024 using a 5-day weighted average share from the five trading days prior to December 31, 2024 of CAD$0.047 (December 31, 2023 – CAD$0.031).

7. Share capital

(a) Authorized
Unlimited number of common shares, without par value.
Unlimited number of preference shares, without par value.

(b) Issued common shares

	Note	Number of common shares		Stated value
Balance, December 31, 2022		242,585,058	$	239,495,678
Debenture conversion	11	39,547,346		1,120,578
Termination settlement		8,000,000		449,674
Private placement		22,750,000		731,479
Share issuance costs		-		(76,886)
RSU conversion	6	5,680,137		315,815
DSU conversion	6	1,980,384		230,405
Balance, December 31, 2023		320,542,925	$	242,266,743
RSU conversion	6	**9,320,894**		**380,951**
DSU conversion	6	**637,500**		**28,125**
Promissory note conversion	15	**19,769,832**		**735,455**
Private placement		**25,253,945**		**589,685**
Share issuance costs		**-**		**(23,616)**
Balance, December 31, 2024		**375,525,096**	**$**	**243,977,343**

In February 2023, the Company issued 8,000,000 common shares in satisfaction of termination agreements with former members of senior management of the Company, as well as 1,184,210 common shares in satisfaction of RSUs outstanding with a terminated member of management.

On April 28, 2023, the Company closed a non-brokered private placement financing of 19,750,000 Units at a price of CAD$0.05 per unit for gross proceeds of $727,294. Each unit consists of one common share and one half of a common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$0.075 until April 28, 2025. The warrants were valued at $107,497. The Company paid commissions and other expenses of $44,290 in relation to the private placement. Officers and directors of the Company purchased 800,000 shares as part of this private placement.

(Expressed in United States Dollars)

7. Share capital (continued)

(b) Issued common shares (continued)

On August 10, 2023, the Company closed a non-brokered private placement financing of 3,000,000 shares at a price of CAD$0.05 for gross proceeds of $111,682. The Company paid expenses of $28,146 in relation to this non-brokered private placement.

On November 8, 2024, the Company closed the first tranche of its non-brokered private placement by issuing 9,390,038 units of the Company at a price of CAD$0.05 per unit for gross proceeds of $337,478 (CAD$469,502). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD$0.05 per common share until November 8, 2026. In connection with closing of the first tranche, the Company paid an aggregate amount of $1,006 (CAD$1,400) in cash commissions and 28,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD$0.05 for a period of 24 months from the date of the closing of the first tranche. A director of the Company purchased 1,000,000 units and a company with a shared director and officer of the Company purchased 2,490,038 units as a part of this private placement.

On December 19, 2024, the Company closed the second tranche of its non-brokered private placement by issuing 15,863,907 units of the Company at a price of CAD$0.05 per unit for gross proceeds of $551,985 (CAD$793,195). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD$0.05 per common share until December 19, 2026. No finders fees were paid in connection with closing the second tranche. Directors and officers of the Company purchased 9,529,426 common shares as part of this private placement.

During the year ended December 31, 2024, the Company incurred $23,616 share issuance costs.

In December 2024, the Company received $69,590 (CAD$100,000) from a subscription to the third tranche of its non-brokered private placement. The shares relating to this subscription were issued in February 2025, as part of the third tranche of the private placement.

(c) Stock options

	Number of options	Weighted average exercise price (CAD)
Balance, December 31, 2022	8,385,000	$ 0.38
Granted	9,010,000	0.05
Expired	(7,570,000)	0.36
Balance, December 31, 2023	9,825,000	$ 0.10
Expired	**(820,000)**	**0.44**
Balance, December 31, 2024	**9,005,000**	**$ 0.06**

(Expressed in United States Dollars)

7. Share capital (continued)

As at December 31, 2024, stock options held by directors, officers, employees and consultants are as follows:

Grant date	Options outstanding	Options exercisable	Grant date fair value vested	Exercise price (CAD)	Expiry date	Remaining contractual life in years	Black-Scholes Inputs: Grant date share price (CAD)	Expected volatility based on historical share prices	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
30-Jun-20	250,000	250,000	$ 46,015	$ 0.39	30-Jun-25	0.50	$ 0.30	83%	5	0%	0.36%
17-Feb-23	5,150,000	5,150,000	$ 130,218	$ 0.05	17-Feb-28	3.13	$ 0.05	84%	5	0%	3.45%
11-Apr-23	3,605,000	3,605,000	$ 111,228	$ 0.06	11-Apr-28	3.28	$ 0.06	87%	5	0%	3.06%
	9,005,000	9,005,000	$ 287,461			3.12					

(c) Stock options (continued)

During the year ended December 31, 2024, the Company granted no stock options (9,010,000 stock options granted for the year ended December 31, 2023) and no option vesting expense was recorded ($248,477 for the year ended December 31, 2023).

Contributed surplus

	Number of stock options	Weighted average exercise price CAD	Carrying amount of options	Number of DSUs/ RSUs	Weighted average exercise price CAD	Carrying amount of DSUs/ RSUs	Total carrying amount
Balance, December 31, 2022	8,385,000	$ 0.38	$ 1,269,334	3,330,570	$ 0.13	$ 513,037	$ 1,782,371
Granted / Vested	9,010,000	0.05	248,477	15,159,815	0.06	637,386	885,863
Converted to shares	-	-	-	(7,660,521)	-	(546,220)	(546,220)
Expired	(7,570,000)	0.36	(1,052,977)	-	-	-	(1,052,977)
Balance, December 31, 2023	9,825,000	$ 0.10	$ 464,834	10,829,864	$ 0.11	$ 604,203	$ 1,069,037
Granted / Vested	**-**	**-**	**-**	**9,320,894**	**0.04**	**380,951**	**380,951**
Converted to shares	**-**	**-**	**-**	**(9,958,394)**	**0.06**	**(409,076)**	**(409,076)**
Expired	**(820,000)**	**0.44**	**(177,373)**	**-**	**-**	**-**	**(177,373)**
Balance, December 31, 2024	**9,005,000**	**$ 0.06**	**$ 287,461**	**10,192,364**	**$ 0.10**	**$ 576,078**	**$ 863,539**

(d) Common share purchase warrants

	Number of warrants	Weighted average exercise price (CAD)
Balance, December 31, 2022	48,766,527	$ 0.40
Expired	(28,107,342)	0.55
Issued	74,375,000	0.09
Balance, December 31, 2023	95,034,185	$ 0.11
Issued	25,281,945	0.05
Balance, December 31, 2024	**120,316,130**	**$ 0.10**

At December 31, 2024, outstanding warrants to acquire common shares of the Company were as follows:

(Expressed in United States Dollars)

7. Share capital (continued)

(d) Common share purchase warrants (continued)

Grant date	Number of warrants outstanding		Grant date fair value		Weighted average exercise price (CAD)	Expiry date
March 1, 2022	7,947,321	$	819,349	$	0.29	March 1, 2026
July 18, 2022	12,711,864	$	645,983	$	0.14	July 18, 2026
April 28, 2023	9,875,000	$	107,497	$	0.08	April 28, 2025
August 9, 2023	12,500,000	$	163,626	$	0.05	August 9, 2026
August 25, 2023	32,000,000	$	-	$	0.13	August 25, 2028
December 15, 2023	20,000,000	$	51,923	$	0.05	December 15, 2026
November 8, 2024	9,418,038	$	115,160	$	0.05	November 8, 2026
December 19, 2024	15,863,907	$	184,920	$	0.05	December 19, 2026
	120,316,130	$	2,088,458	$	0.10	

On April 28, 2023, the Company issued 9,875,000 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.075 until April 28, 2025. The grant date fair value of these warrants of $107,497 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 90% based on the Company's historical volatility, share price of CAD$0.04, risk-free rate of 3.65% and expected life of two years.

On August 9, 2023, the Company issued 12,500,000 warrants in association with the Convertible Security issued. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.05 until August 9, 2026. The grant date fair value of these warrants of $163,626 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 92% based on the Company's historical volatility, share price of CAD$0.05, risk-free rate of 4.04% and expected life of five years.

On August 25, 2023, the Company issued 32,000,000 warrants in association with the Company's royalty agreement. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.13 until August 25, 2028. The Company has the right, on behalf of the holder, to sell the royalty to a third party and these warrants only vest upon the Company's exercise of the right. The warrants have been assigned a value of $nil as at December 31, 2024 and 2023 as management believes the probability that the Company will be able to exercise its royalty sale right is remote.

On December 15, 2023, the Company issued 20,000,000 warrants in association with the debenture issued. The warrants entitle the holder to purchase one common share of the Company at an exercise price of CAD$0.05 until December 15, 2026.

On November 8, 2024, the Company issued 9,390,038 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.05 until November 8, 2026. The grant date fair value of these warrants of $114,858 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 117% based on the Company's historical volatility, share price of CAD$0.03, risk-free rate of 3.08% and expected life of two years.

On November 8, 2024, the Company issued 28,000 broker warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.05 until November 8, 2026. The grant date fair value of these warrants of $314 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 117% based on the Company's historical volatility, share price of CAD$0.03, risk-free rate of 3.08% and expected life of two years.

(Expressed in United States Dollars)

7. Share capital (continued)

(e) Common share purchase warrants (continued)

On December 19, 2024, the Company issued 15,863,907 warrants as part of a private placement which entitles the holder to purchase one common share of the Company at an exercise price of CAD$0.05 until December 19, 2026. The grant date fair value of these warrants of $184,920 was estimated using the Black-Scholes option pricing model using the following assumptions: expected volatility of 114% based on the Company's historical volatility, share price of CAD$0.03, risk-free rate of 3.08% and expected life of two years.

8. Exploration and evaluation expenditures

Exploration and evaluation expenditures during the years presented were as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Consulting and technical	**$ 689,859**	$ 1,011,618
Surface rights	**32,818**	-
Environmental studies	**21,650**	84,565
Field office support and administration	**516,133**	590,373
Depreciation	**15,318**	53,743
	$ 1,275,778	$ 1,740,299

The Company owns 100% of the Rovina Valley Project in Romania; mining license number 18174/2015 which is held through its subsidiary SAMAX Romania S.R.L. The license was ratified by the Romanian Government on November 16, 2018 and is valid for 20 years, with the right of extension for successive periods of 5 years each. The project carries a 6% (gold) and 5% (copper) net smelter return "NSR" royalty payable to the Romanian state once in production. As at December 31, 2024, the Company has only one material segment for financial reporting purposes, which is the development of its Romanian mining permit.

In late 2022, SAMAX Romania SRL, a wholly owned subsidiary of the Company, received a notice of action from the Cluj County court regarding an action made by Asociatia Declic against SAMAX Romania S.R.L. for the suspension of the environmental licence held by SAMAX Romania S.R.L. with respect to the Rovina Valley project, followed by an action for annulment in respect of the same environmental licence.

In October 2023, the Cluj County court ruled that the Environmental Resources Management's ("ERM") certificate issued by the Ministry of Environment was not valid at the time the Company's environmental report was submitted for obtaining the environmental endorsement. The Company will not appeal this judgement and will work on preparing new documentation for obtaining an environmental endorsement.

In July 2021, the Company was granted the renewal of its certificate of urbanization for another two years beginning July 2023. The granting of this renewal certificate is a significant milestone in the documentary process that results in a land rezoning plan, after which the environmental impact assessment will be submitted.

(Expressed in United States Dollars)

9. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and also comprise the directors of the Company.

Key management personnel compensation:

	Year ended December 31, 2024	Year ended December 31, 2023
Directors and officers compensation	**$ 466,448**	$ 468,926
Share-based payments	**-**	376,284
	$ 466,448	$ 845,210

As at December 31, 2024, the Company had $227,836 (December 31, 2023 - $334,558) in accounts payable owing to various current and former officers and directors of the Company. These amounts are unsecured, non-interest bearing and due on demand.

See Notes 6, 7, 10, 12 and 13.

10. Commitments and contingencies

(a) Management Contracts

The Company is party to certain management contracts. These contracts require payment of approximately $1,443,000 upon the occurrence of a change of control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately $488,000 due within one year pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements.

(b) Environmental

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

See Note 8 related to ongoing matters related to the environmental license.

(c) Legal

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

A former contractor of the Company has initiated a legal action seeking approximately $363,000 in relation to the termination of the contract, of which the Company has accrued $38,000 at December 31, 2024 and 2023. The Company does not believe the additional termination amounts are due to the former contractor and the Company intends to defend the matter vigorously as it believes the former contractor's claim is without merit.

A former contractor of the Company has initiated a legal action seeking approximately $868,000 (CAD$1,200,000) in relation to the purported breach of the contract, of which the Company has accrued approximately $108,000 at December 31, 2024. The Company does not believe the additional amounts are due to the former contractor and the Company intends to defend the matter vigorously as it believes the former contractor's claim is without merit.

10. Commitments and contingencies (continued)

(d) Going concern

See Note 1.

(e) Title to mining license

See Notes 1 and 8.

11. Convertible security

On February 18, 2022, the Company executed a convertible security funding agreement ("Convertible Security") for an initial principal amount (the "First Tranche") of $2,748,423 (CAD$3,500,000) and a potential additional amount of up to $1,177,949 (CAD$1,500,000) of convertible securities.

Pursuant to the agreement, the Company had issued to Lind Global Fund II, LP ("Lind") a convertible security with a face value of $3,299,257 (CAD$4,200,000), representing a principal amount of $2,748,423 (CAD$3,500,000) and an interest amount of $550,834 (CAD$700,000) on March 1, 2022. The First Tranche was due two years from the date of issuance and had a maturity date of March 1, 2024.

The First Tranche was secured by all the assets of the Company and bore interest at 10% per annum and matured on March 1, 2024. The First Tranche included covenants typical and customary for secured convertible securities of this nature. The Company needed to comply with the covenants on a regular basis.

In relation to the First Tranche, the Company issued to Lind 7,947,321 warrants of the Company exercisable for a term of 48 months from the date of their issuance, subject to acceleration, with a warrant exercise price of CAD$ 0.28626, being 130% of the 20-day VWAP of the shares, immediately prior to execution of the agreement (Note 7 (d)).

On the issuance date, the fair value of the First Tranche was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 73% based on historical volatility of the Company's common shares, risk-free rate of 1.42%, share price on issuance date of CAD$0.24 and expected life of two years. The fair value of the First Tranche of the convertible security was $3,283,513, which resulted in a loss of $492,667 compared to funding proceeds received of $2,669,245 net of commitment fees of $121,601. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

On July 18, 2022, the Company issued to Lind a second convertible security (the "Second Tranche") under the agreement with a face value of $1,396,865 (CAD$1,800,000), representing a principal amount of $1,164,054 (CAD$1,500,000) and an interest amount of $232,811 (CAD$300,000). The Second Tranche was due two years from the date of issuance and had a maturity date of July 18, 2024.

The Second Tranche was secured by all the assets of the Company and bore interest at 10% per annum and matured on July 18, 2024. The Second Tranche included covenants typical and customary for secured convertible securities of this nature. The Company needed to comply with the covenants on a regular basis.

In relation to the Second Tranche, the Company issued to Lind 12,711,864 warrants of the Company exercisable for a term of 48 months from the date of their issuance, subject to acceleration, with a warrant exercise price of CAD$0.1357, being 115% of the 10-day VWAP of the shares, immediately prior to execution of the agreement (Note 7 (d)).

11. Convertible security (continued)

On the issuance date, the fair value of the Second Tranche was estimated using a Geometric Brownian motion model using the following assumptions: expected dividend yield of 0%, expected volatility of 66% based on historical volatility of the Company's common shares, risk-free rate of 3.26%, share price on issuance date of CAD$0.115 and expected life of two years. The fair value of the Second Tranche of the convertible security was $1,202,336, which resulted in a loss of $35,202 compared to funding proceeds received of $1,120,448, net of commitment fees of $46,686. The Company determined that this loss cannot be recognized immediately in the consolidated statement of loss, but rather should be deferred against the liability components and realized over the term of convertible security in the financing costs, as factors that a market participant would include in pricing the instrument, including time, become observable.

The Company had recorded the Convertible Security including the host contract and embedded derivative at fair value through profit and loss. The Convertible Security had been recorded at Level 3 in the fair value hierarchy.

The Convertible Security could be converted to common shares of the Company at a rate of no more than 1/24th of the face value of the Convertible Security in any given month and at a price per share equal to 85% of the volume weighted average price per share for the five consecutive trading days immediately prior to the conversion date. Lind reserved the right at any time to increase the conversion limit from 1/24th of the face value of the first closing to CAD$500,000 per month, providing that increased amount did not exceed 15% of the aggregate trading volume of the shares for the immediately proceeding 20 days.

The Company had the right to buy-back the outstanding face value of the loan face value at any time with no penalty. If the Company elected to exercise its buy-back rights, Lind would have had the option to convert up to 33% of such face value to common shares of the Company at the price that is equal to 85% of the volume weighted average price per share for the five consecutive trading days immediately prior.

On August 9, 2023, the Company signed an agreement with Lind. The Company issued 12,500,000 warrants to Lind in exchange for Lind's waiver of its ongoing conversion rights under the convertible security agreement and its right to receive common shares of the Company should the Company elect to buyback the amounts outstanding under the convertible security agreement, in each case for the period between July 31, 2023 and August 28, 2023 (Note 7 (d)).

On October 3, 2023, the Company settled the outstanding portion of its convertible security by repaying the outstanding principal and interest in cash in the amount of $1,800,810 (CAD$2,475,000).

The fair value of the convertible security at October 3, 2023 was $1,835,320 (CAD$2,522,428), which resulted in a gain on extinguishment of $34,510 (CAD$47,428) recognized during the year ended December 31, 2023.

(Expressed in United States Dollars)

11. Convertible security (continued)

Convertible security		**Trache #1**		**Tranche #2**		**Total**
Balance at December 31, 2022	$	1,875,204	$	901,836	$	2,777,040
Early conversions		(800,013)		(320,565)		(1,120,578)
Loss on fair value adjustment		200,611		100,768		301,379
Cash repayment		(1,145,931)		(654,879)		(1,800,810)
Gain on extinguishment		(113,782)		(18,253)		(132,035)
Effect of foreign exchange currency difference		(16,089)		(8,907)		(24,996)
Balance at December 31, 2023 and December 31, 2024	**$**	**-**	**$**	**-**	**$**	**-**
Unrecognized day 1 loss		**Trache #1**		**Tranche #2**		**Total**
Balance at December 31, 2022	$	(258,712)	$	(25,350)	$	(284,062)
Recognized loss during the period		172,576		12,543		185,119
Gain on extinguishment		84,988		12,537		97,525
Effect of foreign exchange currency difference		1,148		270		1,418
Balance at December 31, 2023 and December 31, 2024	**$**	**-**	**$**	**-**	**$**	**-**
Total balance at December 31, 2023	$	-	$	-	$	-
Total balance at December 31, 2024	$	-	$	-	$	-

12. Debenture

On December 6, 2023, the Company issued a debenture for a principal amount of $660,000, maturing on June 15, 2024. The debenture is non-interest bearing and is secured against all assets and property of the Company.

In connection with the debenture, the Company issued 20,000,000 common share purchase warrants to the lenders of the debenture. Each warrant entitles the holder to acquire one common share of the Company at an exercise price of CAD$0.05 per common share until December 6, 2026.

On initial recognition, the loan payable was initially recorded at $608,237 using a discounted cash flow model and a market interest rate of 15.53%. The residual amount of $51,923 of the total gross proceeds was allocated to the warrants issued by the Company (Note 7(d)).

On June 14, 2024, amounts owed on the debenture were applied to the Royalty payment and the amount owed on the debenture was discharged.

13. Loan payable

In October 2023, the Company entered into an unsecured loan agreement with a corporation that shares a common officer and director. The principal amount of the loan was $80,368 (CAD$110,000) with an interest rate of 12% per annum. The Company repaid $85,603 of principal and accrued interest during the year ended December 31, 2024, which represents a full repayment of the loan.

In December 2024, the Company entered into a loan with an interest rate of 8% per annum with a director of the Company with a principal amount of $243,241 (CAD$350,000). The loan matures on December 19, 2025 and is secured by all assets and property of the Company.

(Expressed in United States Dollars)

14. Royalty agreement

On August 25, 2023, the Company entered into a net smelter return royalty agreement (the "Agreement") with certain purchasers (together, the "Holder") for the Company's RVP. Under the Agreement, the Holder acquired a right to a 1.0% net smelter return royalty on all minerals produced (the "Royalty Right") for consideration of $3,024,346 (CAD $4,000,000), with $1,986,617 (CAD $2,627,500) paid upfront and the remaining $1,039,619 (CAD $1,372,500) to be paid on or before June 24, 2024. A director of the Company holds 25% of the Royalty Right.

On June 14, 2024, the Company entered into an amendment of the Agreement (“Amended Agreement”). Under the Amended Agreement, the Holder was required to pay $660,000 (CAD$910,800) by June 14, 2024, and pay the final payment of $339,154 (CAD$464,200) by September 30, 2024. The Company applied the balance of the of $660,000 convertible debenture to the royalty on June 14, 2024 and final payment in August 2024. The Company provided a 25% discount on the final payment to the Holder, provided the payment was made in August 2024. As a result of this discount, the Company recorded the Royalty Income net of a loss on settlement of the royalty of $84,789 on the consolidated statement of comprehensive income during the year ended December 31, 2024.

The Agreement contains a conversion right whereby if the final payment is not received by the Company by June 24, 2024, the initial payment received will convert into common shares of the Company (the "Conversion Right") and the Royalty Right will be cancelled. Under the Amended Agreement, the Conversion Right was extended to September 30, 2024. Final payment was received in August 2024. A sale of the Royalty Right was recorded at this time, and the previously recorded deposit liability was extinguished. As such, the Conversion Right has expired.

Upon payment of the final consideration by the Holder on or before September 30, 2024, the Company has the right, on behalf of the Holder, to sell the royalty to a third-party purchaser subject to minimum purchase prices for a period of two years following the final payment (the “Royalty Sale Right”). Should the Company exercise the Royalty Sale Right, the Company agrees to grant the current Holder a separate 1.0% net smelter return royalty on all copper produced at the RVP.

The Company issued 32,000,000 common share purchase warrants to the Holder, which only vests upon the Company's exercise of the Royalty Sale Right. See Note 7 (d).

15. Convertible promissory note

Convertible promissory note as at December 31, 2023	$	-
Principal amount		338,785
Derivative liability		386,215
Accretion		10,455
Conversion of principal to shares		(735,455)
Convertible promissory note as at December 31, 2024	**$**	**-**

On February 22, 2024, the Company entered into a convertible promissory note with two individuals (the “Lenders”), providing for a principal amount of $125,000 (the "February Principal Amount") and maturing on February 22, 2025 (the “February Note”). The February Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The February Principal Amount and all accrued interest is convertible into common shares of the Company at a price of CAD$0.035 per conversion share.

On March 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of $200,000 (the "March Principal Amount") and maturing on March 22, 2025 (the “March Note”). The March Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The March Principal Amount is convertible into common shares of the Company at a price of CAD$0.045 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

15. Convertible promissory note (continued)

On April 22, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of $200,000 (the "April Principal Amount") and maturing on April 22, 2025 (the “April Note”). The April Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The April Principal Amount is convertible into common shares of the Company at a price of CAD$0.0587 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

On May 27, 2024, the Company entered into an additional convertible promissory note with the Lenders providing for a principal amount of $200,000 (the "May Principal Amount") and maturing on May 27, 2025 (the “May Note”). The May Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The May Principal Amount is convertible into common shares of the Company at a price of CAD$0.0656 per conversion share and all interest accrued thereon is convertible into common shares of the Company is convertible based on the 5-day volume weighted average price.

In July 2024, the Company converted the principal of $725,000 plus all accrued interest on the convertible promissory note to 19,769,833 common shares of the Company. In connection with this conversion, the general security agreement over the Company’s property and assets has been released.

The components of the convertible promissory notes are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. The conversion option of the convertible promissory notes does not meet the criteria for equity classification as the currency of the convertible promissory notes is different than the functional currency of the legal entity in which they were issued. As such, the conversion option component is accounted for as a derivative liability.

These conversion features are measured first using the Black-Scholes option pricing model, and the residual value is assigned to the debt component. Subsequent to initial recognition, the conversion feature components are re-measured at fair value at each reporting period with the changes in fair value recognized in operations. Subsequent to initial recognition, the liability components are accounted for at amortized cost using the effective interest rate method until the instrument is converted or the instrument matures.

On the date of issuance, the fair value of the conversion option component was determined to be $338,785 with a residual amount of $386,215 allocated to the liability. The fair value of the conversion option component of the debentures at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 107% -117%, risk-free interest rate of 4.13%-4.36%, share price of CDN$0.03-CAD$0.07, and an expected life of one year.

For the year ended December 31, 2024, $10,455 and $875 of accretion and interest expense was recorded by the Company.

(Expressed in United States Dollars)

16. Income (loss) per share

Basic income (loss) per share is calculated based on the weighted average number of common shares issued and outstanding during the period. Basic weighted average shares for the year ended December 31, 2024 is 334,928,557 (December 31, 2023 – 293,247,954). Diluted weighted average shares for the year ended December 31, 2024 is 345,870,921 (December 31, 2023 – 293,247,954). Stock options, RSUs, DSUs, warrants, and convertible debt are considered anti-dilutive and therefore are excluded from the calculation of diluted loss per share for the year ended December 31, 2024.

For the years ended December 31, 2024 and 2023, the income (loss) per share was as follows:

	Year ended December 31,	
	2024	2023
Numerator:		
Net income (loss)	$ 448,390	$ (4,054,350)
Denominator:		
Weighted average number of common shares - basic	334,928,557	293,247,954
Weighted average effect of dilutive RSUs and DSUs	10,942,364	-
Weighted average number of common shares - diluted	345,870,921	293,247,954
Basic earnings per share	$ 0.00	$ (0.01)
Diluted earnings per share	$ 0.00	$ (0.01)

17. Financial risk factors

The Company’s financial instruments comprise cash, restricted deposits, sundry receivables, trade and other payables, deferred share unit liability, debenture payable, loan payable and deposit liability. The carrying values of these financial instruments approximate their fair value due to the short term nature of these instruments.

The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are; credit risk, liquidity risk and market risk. Management reviews and agrees policies for managing each of these risks, which are summarized below:

The following discussion also includes a sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on income or loss and shareholders' equity, where applicable. The sensitivity has been prepared for the years ended December 31, 2024 and 2023 using the amounts of other financial assets and liabilities held as at the consolidated statement of financial position date.

(a) Credit Risk

The Company’s exposure to credit risk is primarily relating to its financial assets consisting of cash, restricted deposits and sundry receivables. Cash and restricted deposits consist of deposit accounts held at various Canadian and Romanian high credit quality financial institutions, from which management believes the risk of loss to be minimal. The carrying amounts of financial assets represents the maximum credit exposure.

(Expressed in United States Dollars)

17. Financial risk factors (continued)

(b) Liquidity Risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities when due. As at December 31, 2024, the Company had a cash balance of $116,347 (2023 - $45,024) to settle trade and other payables of $2,590,828 (2023 - $2,905,387), deferred share unit liability of $24,394 (2023 - $17,636), debenture payable of $nil (2023 - $614,734), and loan payable of $243,241 (2023 - $85,603). Current liabilities consist of trade and other payables, deferred share unit liability, debenture payable, loan payable and deposit, all generally due within one year.

(c) Market Risk

Market risk is the risk that changes in market factors, such as interest rates, foreign exchange rates or commodity prices will affect the value of the Company's financial instruments.

(i) Interest rate risk

The Company has cash and restricted deposit balances as at December 31, 2024 and 2023. The Company considers interest rate risk to be minimal as cash is held on deposit at major financial institutions. The interest rate on the Company's loans are fixed and as such, do not present an interest rate risk for the terms of the loans.

(ii) Foreign currency risk

The Company is affected by currency transaction and translation risk primarily with respect to the Canadian dollar and Romanian Lei. Consequently, fluctuations in the U.S. dollar currency against these currencies could have a material impact on the Company's business, financial condition and results of operations. The Company does not engage in hedging activity to mitigate this risk.

The following summary illustrates the fluctuations in the exchange rates applied during the years ended December 31, 2024 and 2023:

	2024		2023	
	Average rate	**Closing rate**	Average rate	Closing rate
RON	0.2175	0.2093	0.2186	0.2224
CAD	0.7300	0.6950	0.7409	0.7561

A 1% strengthening or weakening of the US dollar against the Romanian Lei at December 31, 2024 would result in an increase or decrease in operating loss of approximately $3,100. A 1% strengthening or weakening of the US dollar against the Canadian dollar would result in an increase or decrease in other comprehensive income of approximately $21,300.

(iii) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments. As the Company is not in production, its exposure to commodity price risk is reduced.

(Expressed in United States Dollars)

18. Capital disclosures

The Company manages its capital structure, defined as cash, restricted deposits, share capital, contributed surplus and warrants, to ensure sufficient funds are available to the Company to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company has cash and restricted deposits held with large Canadian chartered banks and Romanian banks.

The properties in which the Company currently has an interest are in the exploration stage and as such the Company may need to access additional capital through the issuance of shares. The Company will continue to assess new properties and continue to explore and develop existing properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the Toronto Stock Exchange ("TSX") which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in the consolidated financial statements regarding the listed issuer's ability to continue as a going concern.

The Company's capital items are the following:

	December 31, 2024	December 31, 2023
Cash and cash equivalents	**$ 116,347**	$ 45,024
Restricted deposits	**17,374**	18,902
Share capital	**243,977,343**	242,266,743
Warrants	**2,088,458**	1,788,378
Contributed surplus	**863,539**	1,069,037
	$ 247,063,061	$ 245,188,084

(Expressed in United States Dollars)

19. Income taxes

(a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2023 - 26.5%) were as follows:

		2024		2023
Loss before income taxes from continuing operations	$	448,390	$	(4,054,350)
Expected income tax recovery based on statutory rate		119,000		(1,074,000)
Adjustment to expected income tax benefit:				
Share-based compensation		2,000		177,000
Expenses not deductible for tax purposes		433,000		(99,000)
Other		(3,000)		(25,000)
Change in benefit of tax assets not recognized		(551,000)		1,021,000
Deferred income tax provision (recovery) from continuing operations	$	-	$	-

(b) Deferred income taxes

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

		2024		2023
Non-capital loss carry-forwards (Canada)	$	53,708,000	$	59,899,000
Share issue costs (Canada)		93,000		489,000
Other (Canada)		5,012,000		5,489,000
Capital loss carry-forwards (Canada)		77,471,000		84,283,000
	$	136,284,000	$	150,160,000

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

As at December 31, 2024, the Company had estimated non-capital losses for Canadian income tax purposes of approximately $53,708,000 (2023 - $59,899,000) available to use against future taxable income. The non-capital losses expire between 2026 and 2044.

In addition, the Company has capital losses available for Canadian income tax purposes of approximately $77,471,000 (2023 – $84,283,000) to reduce future taxable capital gains. Capital losses carry forward indefinitely.

As at December 31, 2024, the Company had estimated non-capital losses for Romanian income tax purposes of approximately $nil (2023 - $nil) available to use against future taxable income.

20. Subsequent events

On February 7, 2025, the Company closed the third tranche of its non-brokered private placement by issuing 5,700,900 units of the Company at a price of CAD$0.05 per unit for gross proceeds of $199,361 (CAD$285,045). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD$0.05 per common share until February 7, 2027. In connection with closing of the third tranche, the Company paid an aggregate amount of $2,448 (CAD$3,500) in cash commissions and 170,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD$0.05 for a period of 24 months from the date of the closing of the third tranche.

On February 13, 2025, the Company closed the fourth tranche of its non-brokered private placement by issuing 5,480,000 units of the Company at a price of CAD$0.05 per unit for gross proceeds of $192,375 (CAD$274,000). Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CAD$0.05 per common share until February 13, 2027. In connection with closing of the fourth tranche, the Company paid an aggregate amount of $6,389 (CAD$9,100) in cash commissions and 182,000 broker warrants to a finder. Each broker warrant will entitle the holder thereof to purchase one common share at a price of CAD$0.05 for a period of 24 months from the date of the closing of the fourth tranche. A director of the Company purchased 1,280,000 common shares as a part of this fourth tranche of the private placement.