



**K2 Gold Corporation**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024**

**(Unaudited – Prepared by Management)**

**(Expressed in Canadian Dollars)**

### **Notice of Non-review of Condensed Interim Consolidated Financial Statements**

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The attached condensed interim consolidated financial statements for the three months ended March 31, 2025 have not been reviewed by the Company's auditors.

**K2 Gold Corporation**  
**Condensed Interim Consolidated Statements of Financial Position**  
**For the Three Months Ended March 31, 2025 and 2024**  
*(Expressed in Canadian Dollars)*  
*(Unaudited – Prepared by Management)*

	Note	March 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 2,950,144	\$ 132,792
Amounts receivable		10,800	19,836
Prepaid expenses		36,786	51,396
		2,997,730	204,024
Exploration and evaluation assets	4,9	18,570,248	18,153,880
Reclamation bond	4	71,880	71,945
<b>TOTAL ASSETS</b>		<b>\$ 21,639,858</b>	<b>\$ 18,429,849</b>
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	9	\$ 137,421	\$ 110,436
		137,421	110,436
<b>Shareholders' Equity</b>			
Share capital	5	35,526,810	32,740,093
Reserves	5	8,549,424	7,844,532
Subscription receivable	5,9	(105,000)	(30,000)
Deficit		(22,468,797)	(22,235,212)
		21,502,437	18,319,413
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 21,639,858</b>	<b>\$ 18,429,849</b>

Nature of operations and going concern (Note 1)  
Commitments (Note 10)

Approved on behalf of the Board of Directors on May 29, 2025

"Jim Paterson", Director

"Carolyn Loder", Director

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

**K2 Gold Corporation****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****For the Three Months Ended March 31, 2025 and 2024***(Expressed in Canadian Dollars)**(Unaudited – Prepared by Management)*

	Note	2025	2024
<b>Expenses</b>			
Advertising, marketing and promotion		\$ 31,330	\$ 37,818
Consulting		-	-
Corporate listing and filing fees		16,954	25,159
Office and administration		46,060	27,173
Personnel	9	78,419	76,570
Professional fees		15,401	12,751
Rent	9,10	20,173	21,792
Share-based compensation	5,9	-	8,946
Travel and conferences		33,897	8,121
		(242,234)	(218,330)
Interest income		10,155	5,384
CEBA loan income	8	-	10,000
Foreign exchange gain (loss)		(1,506)	274
		8,649	15,658
<b>Loss and Comprehensive loss for the period</b>		\$ (233,585)	\$ (202,672)
<b>Loss per share – basic and diluted</b>		\$ (0.00)	\$ (0.002)
<b>Weighted average number of common shares outstanding – basic and diluted</b>		132,130,361	103,229,382

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

**K2 Gold Corporation**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**For the Three Months Ended March 31, 2025 and 2024**  
*(Expressed in Canadian Dollars)*  
*(Unaudited – Prepared by Management)*

<b>Cash Provided By (Used In):</b>	<b>2025</b>	<b>2024</b>
<b>Operating activities:</b>		
Loss for the period	\$ (233,585)	\$ (202,672)
Items not involving cash:		
Share based compensation	-	8,946
Foreign exchange	65	(1,620)
Change in non-cash working capital items:		
Accounts receivable	9,036	24,007
Prepaid expenses	14,610	15,289
Accounts payable and accrued liabilities	26,985	33,850
	(182,889)	(122,200)
<b>Investing activities:</b>		
Exploration and evaluation expenditures	(416,368)	(306,419)
	(416,368)	(306,419)
<b>Financing activities:</b>		
Proceeds from issuance of shares	3,673,004	1,045,000
Subscriptions received	(75,000)	-
Share issues costs	(181,395)	(56,340)
Repayment of CEBA loan	-	(40,000)
	3,416,609	948,660
Change in cash and cash equivalents	2,817,352	520,041
Cash and cash equivalents, beginning of the period	132,792	195,160
Cash and cash equivalents, end of the period	\$ 2,950,144	\$ 715,201
During the period ended March 31, 2025, the Company paid \$Nil (2024 - \$Nil) in interest, and \$Nil (2024 - \$Nil) in taxes.		
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 2,860,953	\$ 630,705
Cash equivalents	\$ 89,191	\$ 84,496
<b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b>		
Fair value of finders warrants	\$ 32,426	\$ 7,989
Reclassification on warrant extension (incremental fair value)	\$ 233,893	\$ -

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

**K2 Gold Corporation**  
**Condensed Interim Consolidated Statement of Changes in Shareholders' Equity**  
**For the Three Months Ended March 31, 2025 and 2024**  
*(Expressed in Canadian Dollars)*  
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	Share Capital (Note 5)		Reserves	Subscription receivable	Deficit	Total
	Number of Shares	Amount				
<b>Balance December 31, 2023</b>	<b>98,061,800</b>	<b>\$ 30,506,689</b>	<b>\$ 7,396,855</b>	<b>-</b>	<b>\$(21,434,311)</b>	<b>\$ 16,469,233</b>
Private placement – non flow-through	10,450,000	911,525	133,475	-	-	1,045,000
Share issuance costs – cash	-	(56,340)	-	-	-	(56,340)
Share issuance costs - finders fees	-	(7,989)	7,989	-	-	-
Share-based compensation	-	-	8,946	-	-	8,946
Loss for the period	-	-	-	-	(202,672)	(202,672)
<b>Balance, March 31, 2024</b>	<b>108,511,800</b>	<b>\$ 31,353,885</b>	<b>\$ 7,547,265</b>	<b>-</b>	<b>\$(21,636,983)</b>	<b>\$ 17,264,167</b>
<b>Balance December 31, 2024</b>	<b>126,416,800</b>	<b>\$ 32,740,093</b>	<b>\$ 7,844,532</b>	<b>\$ (30,000)</b>	<b>\$(22,235,212)</b>	<b>\$ 18,319,413</b>
Private placement – non flow-through	24,486,691	3,234,431	438,573	(75,000)	-	3,598,004
Reclassification on warrant extension (incremental fair value)	-	(233,893)	233,893	-	-	-
Share issuance costs – cash	-	(181,395)	-	-	-	(181,395)
Share issuance costs - finders fees	-	(32,426)	32,426	-	-	-
Loss for the period	-	-	-	-	(233,585)	(233,585)
<b>Balance, March 31, 2025</b>	<b>150,903,491</b>	<b>\$ 35,526,810</b>	<b>\$ 8,549,424</b>	<b>\$ (105,000)</b>	<b>\$(22,468,797)</b>	<b>\$ 21,502,437</b>

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

# **K2 Gold Corporation**

**(An Exploration Stage Company)**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended March 31, 2025 and 2024**

*(Expressed in Canadian Dollars)*

*(Unaudited – Prepared by Management)*

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### **1. Nature of Operations and Going Concern**

K2 Gold Corporation (“K2 Gold”, “K2” or the “Company”) was incorporated on May 3, 2011, pursuant to the Business Corporations Act of British Columbia, Canada. The Company’s head office and registered and records office is located at Suite 1020 – 800 West Pender St., Vancouver, BC, V6C 2V6. The Company’s common shares are publicly listed on the Toronto Stock Exchange’s Venture Exchange (the “Exchange”) under the symbol “KTO”.

K2 Gold is an exploration stage company with its primary focus being the exploration of mineral properties in California, the Yukon Territory, and Alaska.

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company’s ability to obtain financing to develop its property and the ultimate realization of profits through future production or sale of its property. Realized values may be substantially different than carrying values as recorded in these consolidated financial statements.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At March 31, 2025, the Company had not achieved profitable operations and had an accumulated deficit of \$22,468,797. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

### **2. Basis of Presentation**

#### **a) Statement of Compliance**

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at March 31, 2025 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should

# **K2 Gold Corporation**

**(An Exploration Stage Company)**

## **Notes to the Condensed Interim Consolidated Financial Statements**

**For the Three Months Ended March 31, 2025 and 2024**

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be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024.

In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2024.

### **b) Approval of the consolidated financial statements**

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 29, 2025.

### **c) Functional and Presentation Currency**

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its consolidated financial statements. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

### **d) Basis of consolidation:**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries K2 Gold Alaska, Inc. ("K2 Gold Alaska") and Mojave Precious Metals Inc. ("Mojave Precious Metals"). The financial statements of K2 Gold Alaska and Mojave Precious Metals are included in the condensed interim consolidated financial statements from the date on which control was transferred to the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All significant intercompany accounts and transactions have been eliminated on consolidation.

## **3. Significant Accounting Policies**

The Company's accounting policies are described in Note 3 to the consolidated financial statements for the year ended December 31, 2024. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

# K2 Gold Corporation

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2025 and 2024

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### Critical accounting judgments, estimates and assumptions

#### Key sources of estimation uncertainty

##### *Exploration and evaluation assets*

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount.

Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

##### *Deferred tax assets and liabilities*

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of deferred taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company's deferred tax assets and tax provisions could be affected.

##### *Share-based compensation*

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the three months ended March 31, 2025 and year ended December 31, 2024 are disclosed in Note 5.

# K2 Gold Corporation

(An Exploration Stage Company)

## Notes to the Condensed Interim Consolidated Financial Statements

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### 4. Exploration and Evaluation Assets

<b>Mojave Gold Project:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 2,180,760</b>	<b>\$ 7,555,086</b>	<b>\$ 9,735,846</b>
Shares issued	43,200	-	43,200
Cash payment	34,635	-	34,635
Geology	-	443,923	443,923
Aviation	-	287	287
Land use and Licenses	-	518,022	518,022
Legal Permitting	-	19,298	19,298
Travel	-	25,881	25,881
<b>Balance, December 31, 2024</b>	<b>\$ 2,258,595</b>	<b>\$ 8,562,496</b>	<b>\$ 10,821,091</b>
Cash payment	36,128	-	36,128
Geology	-	179,405	179,405
Land use and Licenses	-	72,324	72,324
Legal Permitting	-	104,912	104,912
Travel	-	1,312	1,312
<b>Balance, March 31, 2025</b>	<b>\$ 2,294,723</b>	<b>\$ 8,920,449</b>	<b>\$ 11,215,172</b>

<b>Cerro Gordo Gold Project:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 62,344</b>	<b>\$ 13,242</b>	<b>\$ 75,586</b>
Geology	-	44,195	44,195
Land use and Licenses	-	16,604	16,604
Travel	-	10,778	10,778
<b>Balance, December 31, 2024</b>	<b>\$ 62,344</b>	<b>\$ 84,819</b>	<b>\$ 147,163</b>
<b>Balance, March 31, 2025</b>	<b>\$ 62,344</b>	<b>84,819</b>	<b>147,163</b>

<b>Si2 Gold Project:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 195,580</b>	<b>\$ 2,260,796</b>	<b>\$ 2,456,376</b>
Cash payment	68,820	-	68,820
Geology & drilling	-	36,218	36,218
Aviation	-	96	96
Travel	-	46,370	46,370
<b>Balance, December 31, 2024</b>	<b>\$ 264,400</b>	<b>\$ 2,343,480</b>	<b>\$ 2,607,880</b>
Geology	-	14,975	14,975
Travel	-	3,437	3,437
<b>Balance, March 31, 2025</b>	<b>\$ 264,400</b>	<b>\$ 2,361,892</b>	<b>\$ 2,626,292</b>

## K2 Gold Corporation

(An Exploration Stage Company)

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

<b>Wels Property:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2023</b>	<b>\$ 1,537,557</b>	<b>\$ 2,602,349</b>	<b>\$ 4,139,906</b>
Advanced royalty payment	20,000	-	20,000
Geology	-	376,208	376,208
Aviation	-	29,177	29,177
Legal (Permitting)	-	6,669	6,669
Travel	-	5,787	5,787
<b>Balance, December 31, 2024</b>	<b>\$ 1,557,557</b>	<b>\$ 3,020,190</b>	<b>\$ 4,577,747</b>
Geology	-	1,501	1,501
Travel	-	2,373	2,373
<b>Balance, March 31, 2025</b>	<b>\$ 1,557,557</b>	<b>\$ 3,024,064</b>	<b>\$ 4,581,621</b>

<b>Total Exploration and Evaluation:</b>	<b>Acquisition Costs</b>	<b>Deferred Exploration</b>	<b>Total</b>
<b>Balance, December 31, 2024</b>	<b>\$ 4,142,896</b>	<b>\$ 14,010,984</b>	<b>\$ 18,153,880</b>
<b>Balance, March 31, 2025</b>	<b>\$ 4,179,024</b>	<b>\$ 14,391,224</b>	<b>\$ 18,570,248</b>

### Mojave Project

On July 12, 2019, K2 signed an option agreement to acquire a 100% interest in the Mojave Gold Project (“Mojave Project”), with the option agreement subsequently amended on June 14, 2022.

To earn 100% of the Mojave project, the Company must make staged cash and share payments as listed below:

		<b>Cash option payments</b>		<b>Common shares issuance</b>	
July 12, 2019 (Effective date)	US\$	112,500	paid	480,000	issued
6-months from the effective date		112,500	paid		
12-months from the effective date		125,000	paid	480,000	issued
18-months from the effective date		125,000	paid		
24-months from the effective date		150,000	paid	480,000	issued
30-months from the effective date		150,000	paid		
August 31, 2023		25,000	paid	480,000	issued
August 31, 2023*		150,000			
February 29, 2024*		175,000			
August 31, 2024*		275,000		480,000	issued
<b>Total</b>	<b>US\$</b>	<b>1,400,000</b>		<b>2,400,000</b>	

## K2 Gold Corporation

(An Exploration Stage Company)

### Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2025 and 2024

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\* Subsequent to the period end the Company paid all outstanding amounts, previously agreed to be deferred by the vendor, plus an additional \$150,000 (net) to complete the exercise of the option.

In addition, following the exercise of its option, K2 has agreed to make an annual pre-production payment of US\$275,000 per year beginning on August 31, 2025\*, and continuing annually until the achievement of commercial production, and to grant a 3% net smelter returns royalty ("NSR") with respect to all mineral produced from the Mojave Project, subject to a minimum annual royalty payment following commercial production of US\$300,000. The royalty will be subject to certain buy-down rights in K2's favour. K2 may terminate the agreement at any time during the option period.

\*Subsequent to the period end, the Company also agreed to further amend the option to adjust all pre-production payments for inflation starting August 31, 2028 using the CPI for the month of August 2025, as published by the U.S. Department of Labor, Bureau of Labor Statistics, as the basis for calculating all future increases.

In August 2020, the Company was required to post a bond in the amount of \$71,880 (\$50,000 USD), (2024 - \$71,945 - (\$50,000 USD)) with the Bureau of Land Management ("BLM") for reclamation work associated with the Mojave Property.

#### Cerro Gordo Project

On August 11, 2021, the Company signed an option agreement to acquire a 100% interest in the Cerro Gordo Gold Project ("Cerro Gordo Project"), located adjacent to the Company's Mojave Project in Inyo County, California. The option agreement was subsequently amended, extending all outstanding payments.

To earn 100% of the Cerro Gordo Project the Company must make staged cash payments as listed below:

		Cash option payments		Work commitment
July 30 2021 (Effective date)	US\$	10,000	(paid)	-
60 days from the effective date (Closing date)		40,000	(paid)	-
December 31, 2024*		25,000		-
July 30, 2025		75,000	US\$	25,000
July 30, 2026		75,000		25,000
July 30, 2027		75,000		25,000
July 30, 2028		75,000		25,000
July 30, 2029		250,000		-
<b>Total</b>	<b>US\$</b>	<b>625,000</b>	<b>US\$</b>	<b>100,000</b>

\* Paid subsequent to the period ended March 31, 2025.

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In addition, a bonus payment of US\$500,000 is payable following the completion of a Bankable Feasibility Study.

Commencing in the year following the second anniversary of the Closing date and continuing for four years thereafter, the Company has agreed to expend a minimum of US\$25,000 annually on exploration, development, and mining work on the Cerro Gordo Project claims, for an aggregate amount of at least US\$100,000 over the four-year period. In addition, K2 has granted the vendor a 3% NSR royalty with respect to all minerals produced from the Cerro Gordo Project. The Company can repurchase half of the NSR for US\$1,000,000. The Company may terminate the agreement at any time during the option period.

### Si2 Gold Project

On January 19, 2022 the Company signed an option agreement with Orogen Royalties Inc. ("Orogen"), to earn a 100% interest, subject to a 2% NSR, in Orogen's Si2 gold project, formerly known as the Elba project, in Nevada, USA (the "Si2 Gold Project" or "Si2").

To earn 100% of the Si2 project the Company must make staged cash payments and incur exploration expenditures as listed below:

		Cash	Work Commitment (Cumulative)
Signing Date (January 18, 2022) Paid	US \$	\$ 50,000	\$ -
January 18, 2023 (Paid and incurred)	\$	100,000	\$ 150,000 (Incurred)
January 18, 2024 **	\$	100,000	\$ 650,000 (Incurred)
January 18, 2025 **	\$	250,000	\$ 1,250,000 (incurred)
January 18, 2026	\$	500,000	\$ 1,750,000
January 18, 2027	\$	1,500,000	\$ 2,500,000
<b>Total</b>	<b>US\$</b>	<b>\$ 2,500,000</b>	<b>\$ \$2,500,000</b>

Orogen will retain a 2% NSR royalty once the Company has exercised the option. The Company has agreed to make \$50,000 annual payments, commencing on the first anniversary of the exercise of the option.

\*\* During the year ended December 31, 2024, the Company paid \$50,000 of the \$100,000. During the three months ended March 31, 2025, the Company entered into an agreement with Orogen to acquire a 100% interest in the Si2 Project, by paying \$250,000 in cash or common shares of K2, at the discretion of K2. Orogen will retain a 2% net smelter return ("NSR") royalty.

### Wels Property

The Company signed a definitive option agreement with Go Metals Corp. "Go Metals" (formerly "Go Cobalt Mining Corp.") on August 11, 2016, subsequently amended, to acquire a 90% joint venture interest in certain mineral property interests located in the Yukon Territory, known as the "Wels Property". To

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earn its interest, the Company made cash payments aggregating \$350,000 staged over 24 months and issued 3,000,000 common shares staged over a 30-month period.

Upon completion of the payments and share issuances, the Company and Go Metals will proceed under the terms of a joint venture agreement (the “Joint Venture”). Under the Joint Venture, the Company will fund the project fully through completion of a preliminary economic assessment, following which project expenditures will be funded on a 90/10 proportionate basis between the Company and Go Metals, respectively, with the Company acting as project manager and holding voting control of the Joint Venture project committee. If, at any time, either party’s Joint Venture interest is diluted to less than 1% that diluted party’s interest will be cancelled, and the Joint Venture will terminate.

The Wels Property is subject to 3% NSR royalty governed by a 2011 agreement between Go Metals and two arm’s length holders. The royalty agreement provides that 2% of the 3% NSR may be purchased from the royalty holders for cash payment of \$1,500,000. Pursuant to the option agreement, the Company will pay the \$20,000 annual advance royalty due under the 2011 agreement. Pursuant to the option agreement a \$20,000 annual advance royalty was paid in 2024 (2023 - \$20,000).

### 5. Share Capital

#### a) Authorized Share Capital

At March 31, 2025 and 2024, the authorized share capital comprised an unlimited number of common shares without par value. At March 31, 2025, the Company has 150,903,491 (December 31, 2024 – 126,416,800) common shares outstanding.

#### b) Issued Share Capital

##### Transactions for the three months ended March 31, 2025

On March 10, 2025, the Company completed a private placement financing by issuing a total of 24,486,691 units at a price of \$0.15 per unit, for aggregate gross proceeds of \$3,673,004. Subsequent to period-end, the company received \$90,000 of the \$105,000 subscription receivable balance. Additionally, \$15,000 was removed from the subscription receivable and share capital balances as a result of 100,000 units being cancelled and returned to treasury due to a duplicate subscription identified. The 50,000 warrants associated with these cancelled units were also cancelled subsequent to period-end.

Each unit consists of one common share in the capital of the Company and one half of one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of \$0.30 per share for a period of 12 months from the date of issuance subject to an acceleration clause.

In connection with this private placement, the Company paid \$155,010 in finders fees and \$26,385 for share issuance costs and issued 1,033,402 finders warrants which were valued at \$32,426 at the time of

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issuance. Each finders' warrant is exercisable into one common share at a price of \$0.30 per share for a period of 12 months.

#### Transactions for the three months ended March 31, 2024

On February 15, 2024, the Company completed a private placement financing by issuing a total of 10,450,000 units at a price of \$0.10 per unit, for aggregate gross proceeds of \$1,045,000. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of \$0.30 per share for a period of 12 months.

In connection with this private placement, the Company paid \$56,340 for share issuance costs and issued 563,400 warrants exercisable for 12 months from the date of issuance to acquire common shares of the Company at an exercise price of \$0.30 per share. Finders' warrants have the same terms as the unit warrants. These warrants were valued at \$133,475 at grant date. The fair value of warrants was determined using the Black-Scholes pricing model with an average risk-free rate of 4.24%, expected stock price volatility of 116.73% and average expected life of 1 year.

#### **c) Warrants**

The warrants activity is summarized below:

Details of outstanding warrants are as follows:	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, December 31, 2023	13,244,780	\$ 0.30
Issued	29,318,900	\$ 0.30
Outstanding warrants, December 31, 2024	42,563,680	\$ 0.30
Issued	13,276,747	\$ 0.30
Expired	(1,819,930)	\$ 0.30
Outstanding warrants, March 31, 2025	54,020,498	\$ 0.30

At March 31, 2025, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Remaining Contractual Life (in Years)
August 15, 2025	\$0.30	9,917,000	0.38
October 1, 2025*	\$0.30	22,438,251	0.50
October 24, 2025	\$0.30	8,388,500	0.57
March 10, 2026	\$0.30	13,276,747	0.94
Weighted average exercise price and remaining contractual life	\$0.30	54,020,498	0.60

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\*During the period ended March 31, 2025, the Company extended the expiry dates of 22,438,251 warrants to October 1, 2025, while 1,256,530 finders' warrants expired on February 1, 2025, and 563,400 finders' warrants expired on February 11, 2025. As a result of the extension, the Company reassessed the relative fair value allocation between the warrant and equity components using the Black-Scholes option pricing model. This resulted in an adjustment of \$233,893 to the previously recorded values. The impact of the fair value reallocation has been recognized in the current period's financial statements.

#### d) Stock Options

Under the Company's stock option plan, the board of directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the board of directors and expire no later than ten years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one common share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by the Exchange.

There were no stock options granted during the year ended December 31, 2024, and the three months ended March 31, 2025.

The changes in stock options issued are as follows:

	Number of stock options	Weighted Average Exercise Price
Outstanding, December 31, 2022	5,845,000	\$0.25
Granted	2,775,000	\$0.15
Outstanding December 31, 2023 and March 31, 2024	8,620,000	\$0.22
Expired	(1,550,000)	\$0.27
Outstanding December 31, 2024	7,070,000	\$0.21
Expired	(100,000)	\$0.23
Outstanding March 31, 2025	6,970,000	\$0.21

For the three-month period ended March 31, 2025, no share-based compensation expense was recognized, as no stock options vested during the period. In the comparative period ended March 31, 2024, share-based compensation expense of \$8,946 was recognized, calculated using the Black-Scholes option pricing model. This amount was recorded in equity, within reserves, in the statement of financial position and recognized as an expense in the statement of loss and comprehensive income.

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	March 31, 2025	2023 Stock options
Number of options granted	n/a	2,775,000
Risk-free interest rate	n/a	3.10%
Expected annual volatility	n/a	106%
Expected life	n/a	5 years
Expected dividend yield	n/a	0%
Grant date fair value per option	n/a	\$0.11
Share price at grant date	n/a	\$0.14

As at March 31, 2025, the Company had outstanding options enabling the holders to acquire common shares as follows:

Expiry Date	Options outstanding	Options exercisable	Exercise price	Weighted Remaining Contractual Life (in Years)
September 28, 2025	400,000	400,000	\$0.71	0.50
May 13, 2026	945,000	945,000	\$0.32	1.12
May 13, 2027	2,850,000	2,850,000	\$0.15	2.13
May 1, 2028	2,775,000	2,775,000	\$0.15	3.09
	6,970,000	6,970,000	\$0.22	2.28

## 6. Financial Instruments

### a) Fair values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

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

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

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

The fair value of cash and cash equivalents, amounts receivable and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. The fair value of the Company's reclamation bond and CEBA loan approximate carrying value due to the use of market rates, which is the amount recorded on the statements of financial position.

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### **b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable. The Company's maximum exposure to credit risk is the carrying amount of its cash and receivables.

Cash and cash equivalents are held with major Canadian financial institutions and amounts receivable primarily consist of GST recoverable from Government entities. Management is of the view that all amounts are fully collectible.

### **c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations and commitments as they become due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at March 31, 2025, the Company has cash and cash equivalents of \$2,950,144 to cover its current liabilities of \$137,421. Refer to note 1 for further discussion over liquidity.

### **d) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and commodity and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

In the normal course of business, the Company enters into transactions for the purchase of supplies and services and acquisition of mineral properties, denominated in a currency other than the functional currency of the Company. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates, however Management estimates the risk to be insignificant. The Company has not entered into any derivative or other financial instruments to mitigate this foreign exchange risk. A 10% fluctuation in the US\$ against the Canadian dollar would affect profit or loss by approximately \$2,883 (2024 - \$8,634).

### **e) Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and

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volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

#### **7. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide returns and benefits for shareholders and advance the exploration of its mineral properties.

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves, net of accumulated deficit.

The Company depends on external financing to fund its activities and may issue new equity instruments to maintain its capital structure. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors.

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

#### **8. CEBA loan**

In June 2020, the Company secured a \$40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

##### Terms of the CEBA agreement:

- i. The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,
- ii. If there is a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 3-year interest-free term loan effective January 1st, 2021,
- iii. If \$30,000 is repaid by January 18, 2024, \$10,000 of the operating line will be forgiven,
- iv. On December 31, 2023, the Company may choose to exercise an option to extend the term loan for another 3 years at the rate of 5% per annum on any balance remaining.

As at March 31, 2025, the balance owing was \$Nil (December 31, 2024 - \$Nil). In the period ending December 31, 2024, the Company repaid the \$30,000 due on January 18, 2024, and obtained \$10,000 in loan forgiveness.

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## 9. Related Parties

### Key management compensation

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. Total key management compensation are as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Exploration and evaluation assets	\$ 45,000	\$ 9,000
Personnel	73,005	103,998
Share-based compensation	-	7,011
Total	\$ 118,005	\$ 120,009

Related party transactions and balances not disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Office rent (Vancouver, BC) <sup>1</sup>	\$ -	\$ 11,453
Office rent (Squamish, BC) <sup>2</sup>	5,633	5,400
Total	\$ 5,633	\$ 21,792

(<sup>1</sup>) Cost recovery payments made to a company related to key management.

(<sup>2</sup>) Rental payments made to a company owned by a key management person.

The balance payable to related parties at March 31, 2025 was \$Nil (December 31, 2024 - \$326). These payables are generally unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

As at March 31, 2025, the balance of \$40,000 (December 31, 2024 - \$30,000) was due from an officer of the Company for the share subscription, which was settled subsequent to the period-end. This amount is included in the subscription receivable. Amounts due from related parties are generally unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

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### 10. Commitments

#### Lease

The Company entered into a lease agreement with a company owned by a key management person for office space in Squamish, BC, commencing August 1, 2024, and expiring on July 31, 2025 for \$1,971 per month.

### 11. Flow Through Share Premium Liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued.

During the year ended December 31, 2023, the Company completed a non-brokered private placement financing by issuing a total of 8,756,666 charity flow-through shares at a price of \$0.16 per charity flow-through share, for aggregate gross proceeds of \$1,401,067. A flow-through share premium liability of \$350,267 was recognized upon issuance. As eligible exploration expenditures are incurred the liability will be amortized to profit or loss.

The flow-through premium liability is summarized below:

<b>Balance at December 31, 2022</b>	<b>\$</b>	<b>-</b>
Liability incurred on flow-through shares		350,267
Settlement of flow-through share liability on incurring expenditures		(240,807)
<b>Balance at December 31, 2023</b>	<b>\$</b>	<b>109,460</b>
Settlement of flow-through share liability on incurring expenditures		(109,460)
<b>Balance at December 31, 2024</b>	<b>\$</b>	<b>-</b>
<b>Balance at March 31, 2025</b>	<b>\$</b>	<b>-</b>

### 12. Segment Information

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. The Company's exploration and evaluation assets are located in Canada and the United States as follows:

	March 31, 2025	December 31, 2024
Exploration and evaluation assets		
Canada	4,581,623	4,577,747
United States	13,988,625	13,576,133
	\$ 18,570,248	\$ 18,153,880

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### **13. Subsequent event**

Subsequent to the period ended March 31, 2025, 100,000 common shares issued at a price of \$0.15 per share were returned to treasury due to a duplicate subscription identified in connection with the private placement that closed on March 10, 2025. This resulted in a \$15,000 reduction in share capital and an adjustment to the total issued and outstanding share count. The 50,000 warrants associated with these cancelled units were also cancelled subsequent to period-end.