RUAGOLD

(Formerly, First Uranium Resources Ltd.)

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Rua Gold Inc.

Opinion

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

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with 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 of the consolidated financial statements, which indicates that the Company incurred a net loss of $25,556,475 during the year ended December 31, 2024 and, as of that date, the Company's total deficit was $36,525,386. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Reverse Takeover Transaction of Reefton Goldfields Inc. "Reefton"

As disclosed in Notes 1 and 5 of the consolidated financial statements, during the year ended December 31, 2024, First Uranium Resources Ltd. acquired all of the issued and outstanding common shares of Reefton Goldfields Inc. ("Reefton") and subsequently changed its name to Rua Gold Inc. This transaction resulted in a reverse takeover whereby Reefton was considered to be the continuing entity for accounting purposes.

The principal considerations for our determination that the reverse takeover transaction is a key audit matter are that the transaction requires management to exercise judgement to determine the appropriate accounting treatment, including whether the acquisition should be accounted for as an asset acquisition or business combination, whether there was a change of control, assessing the fair value of consideration provided, and estimating the fair value of net assets acquired. These factors in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the transaction, including management's assessment of whether the transaction constituted an asset acquisition or business combination;
- Ensuring the transaction constitutes a reverse acquisition as defined by IFRS;
- Evaluating management's calculation of the fair value of the net assets acquired in accordance with the Company's accounting policies;
- Completing audit procedures on opening balance accounts, including cut-off procedures as at the transaction date; and
- Assessing the adequacy of the related disclosures to the consolidated financial statements.

Asset Acquisition of Reefton Resources Pty Limited "RRL"

As disclosed in Notes 1 and 6 to the consolidated financial statements, during the year ended December 31, 2024, the Company acquired all of the issued and outstanding common shares of RRL. The acquisition of RRL has been accounted for as an asset acquisition.

The principal considerations for our determination that the accounting for the acquisition is a key audit matter are that the transaction requires management to exercise judgement to determine the appropriate accounting treatment, including whether the acquisition should be accounted for as an asset acquisition or business combination, assessing the fair value of consideration provided, and estimating the fair value of net assets acquired. These factors in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the transaction, including management's assessment of whether the transaction constituted an asset acquisition or business combination;
- Reviewing the share purchase agreement to understand key terms and conditions;
- Agreeing the consideration to supporting documentation;
- Evaluating management's calculation of the fair value of the net assets acquired in accordance with the Company's accounting policies;
- Completing audit procedures on opening balance accounts, including cut-off procedures as at the transaction date; and
- Assessing the adequacy of the related disclosures to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the Management 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. 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 to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year ended 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 on the audit resulting in this independent auditor's report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC
April 16, 2025

RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes		December 31, 2024		December 31, 2023
Assets					
Current assets:					
Cash and cash equivalents		**$**	**1,206,463**	$	207,733
GST receivables			**189,402**		86,511
Prepaid expenses			**761,095**		90,214
Investment	8		**944,545**		-
			3,101,505		384,458
Reclamation bonds	10		**306,470**		83,630
Equipment	9		**105,534**		48,046
Total assets		**$**	**3,513,509**	$	516,134
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	13	**$**	**1,264,076**	$	490,342
Promissory note payable	5		**-**		805,000
Total liabilities			**1,264,076**		1,295,342
Shareholders' equity (deficiency)					
Share capital	11		**37,404,239**		9,778,587
Reserves	11		**1,446,974**		403,400
Accumulated other comprehensive (loss) income			**(76,394)**		7,716
Deficit			**(36,525,386)**		(10,968,911)
Total shareholders' equity (deficiency)			**2,249,433**		(779,208)
Total liabilities and shareholders' equity (deficiency)		**$**	**3,513,509**	$	516,134

Nature and continuance of operations (Note 1)

Subsequent events (Note 11, 17)

These consolidated financial statements were approved for issuance on April 16, 2025 by the Board of Directors by:

"Tyron Breytenbach"	*"Robert Eckford"*
Director	Director

- The accompanying notes form an integral part of these consolidated financial statements -

RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes		Years ended December 31, 2024		2023
Operating expenses					
Exploration and evaluation	6, 10	**$**	**19,258,544**	$	1,597,693
Marketing expense			**2,054,611**		-
Share-based payments	11		**649,222**		-
Salaries and wages			**361,352**		-
Transaction costs	5		**259,932**		262,513
Professional fees			**268,756**		84,449
Office and administration			**79,942**		39,900
Regulatory and filing			**64,187**		-
Depreciation	9		**37,014**		39,719
			(23,033,560)		(2,024,274)
Listing expense	5		**(1,275,041)**		-
Change in fair value of investments	8		**(1,333,258)**		-
Interest income			**71,866**		10,275
Other income			**13,518**		49,185
Net loss for the year			**(25,556,475)**		(1,964,814)
Other comprehensive loss					
Currency translation adjustment			**(84,110)**		(21,822)
Net loss and comprehensive loss		**$**	**(25,640,585)**	$	(1,986,636)
Weighted average shares outstanding – basic and diluted			**33,887,609**		11,714,257
Basic and diluted loss per share		**$**	**(0.75)**	$	(0.17)

- The accompanying notes form an integral part of these consolidated financial statements -

(Expressed in Canadian dollars)

	Notes		Years ended December 31, 2024		2023
Operating activities					
Net loss for the year		$	**(25,556,475)**	$	(1,964,814)
Adjustments for:					
Acquisition of Reefton Resources	6		**15,187,176**		-
Change in value of investments	8		**1,333,258**		-
Listing expense	5		**1,275,041**		-
Share-based payments	11		**649,222**		-
Depreciation	9		**37,014**		39,719
Changes in non-cash working capital items:					
GST receivables			**10,151**		(60,820)
Prepaid expenses			**(314,590)**		(12,701)
Accounts payable and accrued liabilities			**479,996**		328,120
Net cash used in operating activities			**(6,899,207)**		(1,670,496)
Investing activities					
Cash acquired from Transaction	5		**5,611,189**		-
Cash acquired on Reefton Transaction	6		**1,739**		-
Purchase of investments pursuant to Reefton Transaction	6		**(1,834,380)**		-
Purchase of investments	8		**(443,423)**		-
Promissory note issued to Siren	6		**(932,510)**		-
Purchase of Reefton Resources	6		**(1,278,752)**		-
Transaction costs of Reefton Transaction	6		**(735,882)**		-
Purchase of equipment	9		**(45,717)**		(15,607)
Reclamation bond	10		**(24,195)**		(33,124)
Net cash provided by (used in) investing activities			**318,069**		(48,731)
Financing activities					
Proceeds from the Offering	7		**8,000,100**		-
Share issuance costs	7		**(845,173)**		-
Proceeds from the Loan	5		**500,000**		805,000
Net cash provided by financing activities			**7,654,927**		805,000
Net change in cash and cash equivalents in the year			**1,073,789**		(914,227)
Effect of foreign exchange on cash and cash equivalents			**(75,059)**		(18,669)
Cash and cash equivalents, beginning of year			**207,733**		1,140,629
Cash and cash equivalents, end of year		**$**	**1,206,463**	$	207,733

Cash and cash equivalents consist of cash and short-term investments in guaranteed investment certificates.

During the year ended December 31, 2024, the Company granted 413,895 Broker Warrants with a fair value of $231,041 pursuant to the Offering (Note 7) included in reserves. During the year ended December 31, 2023, there were no non-cash financing activities.

During the years ended December 31, 2024, there was $nil (December 31, 2023 – $nil) paid in interest or taxes.

- The accompanying notes form an integral part of these consolidated financial statements -

RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

	Share capital					
	Shares	**Amount**	**Reserves**	**Accumulated other comprehensive (loss) income**	**Deficit**	**Total shareholders' equity (deficiency)**
Balance, December 31, 2022	13,521,098	$ 9,778,587	$ 403,400	$ 29,538	$ (9,004,097)	$ 1,207,428
Foreign currency translation adjustment	-	-	-	(21,822)	-	(21,822)
Net loss for the year	-	-	-	-	(1,964,814)	(1,964,814)
Balance, December 31, 2023	**13,521,098**	**$ 9,778,587**	**$ 403,400**	**$ 7,716**	**$ (10,968,911)**	**$ (779,208)**
Shares issued in Transaction (Note 5)	18,742,812	8,112,659	-	-	-	8,112,659
Share purchase warrants issued in Transaction (Note 5)	-	-	163,311	-	-	163,311
Shares issued for the Offering (Note 7)	7,407,500	8,000,100	-	-	-	8,000,100
Share issuance costs (Note 7)	-	(1,076,214)	231,041	-	-	(845,173)
Shares issued in Reefton Transaction (Note 6)	13,987,900	12,589,107	-	-	-	12,589,107
Share-based payments (Note 11)	-	-	649,222	-	-	649,222
Foreign currency translation adjustment	-	-	-	(84,110)	-	(84,110)
Net loss for the year	-	-	-	-	(25,556,475)	(25,556,475)
Balance, December 31, 2024	**53,659,310**	**$ 37,404,239**	**$ 1,446,974**	**$ (76,394)**	**$ (36,525,386)**	**$ 2,249,433**

- The accompanying notes form an integral part of these consolidated financial statements -

1. Nature and continuance of operations

Rua Gold Inc. (formerly, First Uranium Resources Ltd.) (the "Company" or "First Uranium") was incorporated under the Business Corporations Act of British Columbia on December 14, 2016. The address of its registered head office is 1500 - 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Company is in the process of exploring its resource properties in New Zealand and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

As of July 29, 2024, the Company's common shares were listed for trading on the TSX Venture Exchange under the symbol "RUA" and have been delisted from the Canadian Securities Exchange. The Company's common shares are also listed for trading on the OTC under the symbol "NZAUF."

Effective December 6, 2024, the Company's common shares were consolidated on the basis of six pre-consolidation common shares for every one post-consolidation common share. This share consolidation has been reflected retrospectively in these consolidated financial statements.

<u>Reverse Takeover Transaction</u>

On February 27, 2024, the Company completed a definitive agreement (the "Business Combination Agreement") with Reefton Goldfields Inc. ("Reefton"), pursuant to which the Company acquired all of the issued and outstanding shares of Reefton (the "Transaction"), carried out by way of a three-cornered amalgamation. Concurrent with the closing of the Transaction, First Uranium changed its name to "Rua Gold Inc." (Note 5).

The Transaction constituted a reverse acquisition for accounting purposes whereby Reefton is treated as the accounting acquirer, and the Company is treated as the accounting acquiree. As Reefton was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements as their historical carrying values. First Uranium's results of operations are included from the transaction date. The comparative figures are those of Reefton prior to the Transaction, other than common shares, which have been retrospectively adjusted to reflect those of the Company.

In connection with the closing of the Transaction, the Company changed its financial year-end to December 31, being the same year-end as that of Reefton.

<u>Asset Acquisition</u>

On November 25, 2024, the Company acquired all of the issued and outstanding common shares of Reefton Resources Pty Limited, a wholly owned subsidiary of Siren Gold Ltd. which holds exploration tenements located adjacent to the Company's properties in New Zealand. The acquisition of Reefton Resources Pty Limited was accounted for as an asset acquisition (Note 6).

<u>Going concern</u>

These consolidated financial statements have been prepared on the basis of accounting principles applicable to going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

During the year ended December 31, 2024, the Company recorded a loss of $25,556,475 (December 31, 2023 – $1,964,814). The Company has not yet achieved profitable operations and has a deficit of $36,525,386 (December 31, 2023 – $10,968,911) since its inception. The Company expects to incur further losses in the development of its business. The Company is subject to risks and challenges impacting its operations including, but not limited to, the ability to secure adequate financing to meet expenditure requirements including maintenance costs on its exploration and evaluation assets, and to successfully satisfy its commitments and continue as a going concern. The Company is dependent on equity and debt financings to fund its operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements for the year ended December 31, 2024 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective for the year ended December 31, 2024.

b. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair values and cash flow information.

c. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries which it controls. The wholly owned subsidiaries of the Company and their geographic locations as at December 31, 2024 are:

Company	Location
Reefton Acquisition Corp (formerly, Reefton Goldfields Inc.) ("RAC")	Canada
Reefton Gold Limited ("RGL")	New Zealand
Reefton Resources Pty Limited ("RRL")	New Zealand
Advent Gold Limited ("Advent")	Australia

Advent is dormant, and no activity has taken place since the year ended December 31, 2021. Subsequent to December 31, 2024, Advent was dissolved.

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. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All significant intercompany transactions and balances have been eliminated.

d. Basis of presentation

These consolidated financial statements are presented in Canadian dollars. Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company and RAC is the Canadian dollar ("CAD") and the functional currency of RGL and RRL is the New Zealand dollar ("NZD").

3. Material accounting policy information

a. Foreign currencies

Transactions in currencies other than the Company and its subsidiaries' functional currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are re-measured at the rate of exchange at the financial position date. Non-monetary assets and liabilities are translated at their historical rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On translation of the entities whose functional currency is not the Canadian dollar, expenses are translated at the exchange rate approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date and equity is translated at historical rates. Exchange gains and losses, including results of re-translation, are recorded as a cumulative translation adjustment in other comprehensive income.

b. Cash and cash equivalents

Cash and cash equivalents may include cash on hand, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of 90 days or less when acquired.

c. Equipment

Equipment is carried at cost, less accumulated depreciation and impairment losses. Cost consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and initial estimate of the costs of dismantling and removing the item.

Equipment is depreciated over its estimated useful life using the declining balance method using the following rates:

- Vehicles 30%
- Computer software and hardware 50%
- Exploration equipment 50%
- Office equipment 13%

Management reviews and evaluates the useful lives and residual values of items of plant and equipment, and adjusts if appropriate, at the end of each reporting period. The carrying amount of an item of property and equipment is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

d. Exploration and evaluation expenditures

Exploration and pre-extraction expenditures, including costs incurred to acquire exploration properties, are expensed as incurred until such time as technical feasibility and commercial viability of the mineral properties is demonstratable, after which subsequent expenditures related to development activities for that particular project are capitalized as incurred.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to: the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document; the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; the status of environmental permits, and the status of mining leases or permits.

All costs relating to the construction, installation, or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mineral property. Development expenditure is net of proceeds from the sale of ore extracted during the development phase.

e. Impairment of non-financial assets

The Company’s non-financial assets are tested for impairment if facts or circumstances indicate that impairment exists. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash generating units or “CGUs”).

If an indicator of impairment exists, the recoverable amount of the asset (or CGU) is estimated in order to determine the extent of impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

f. Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation assets in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability.

The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows.

As at December 31, 2024 and 2023, the Company has no known restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets. The Company has issued reclamation bonds for $360,470 (NZD $380,000) (2023 - $83,630 (NZD $100,000)) in relation to the access arrangement the Company (Note 10).

g. Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws are used to compute the amount are those that are enacted or subsequently enacted, at the reporting date, in the countries where the Company operates and generates taxable income.
Current income taxes relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax liabilities and asset and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and asset on a net basis or their tax assets and liabilities will be realized simultaneously.

h. Share capital

The Company records proceeds from share issuances net of issuance costs and any tax effects in shareholders' equity (deficiency). Shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

i. Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the periods presented. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. Diluted loss per share excludes all dilutive potential equity instruments if their effect is anti-dilutive.

j. Share-based payments

Share-based payments granted to directors, employees and consultants are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. The fair value of options is determined using a Black-Scholes Option Pricing Model. The fair value of deferred share units ("DSUs") is determined using the fair value of the equity instruments at the grant date. The number of options and DSUs expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The fair value of awards are charged to the statement of loss and comprehensive loss and credited to reserves within shareholders' equity (deficiency). Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model.

k. Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or have been transferred, and the Company has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires.

Financial assets and liabilities are offset, and the net amount is reported on the statement of financial position, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss. Transaction costs of financial assets and liabilities classified as FVTPL are expensed in the period in which they are incurred. Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of Financial Assets

Amortized cost

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortized cost are initially recognized at fair value, plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company holds its cash and cash equivalents and its reclamation bonds at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not hold any financial assets classified as FVTOCI.

Fair value through profit or loss ("FVTPL")

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company holds its investment at FVTPL.

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.
In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Classification of Financial Liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. The Company's accounts payable and accrued liabilities and promissory note payable are classified as other financial liabilities and carried on the statement of financial position at amortized cost.

l. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

m. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

During the year ended December 31, 2024, the Company recognized rent expense of $206,130 (2023 – $150,190) for short term leases which is included in office and administration within exploration and evaluation expenses.

n. New accounting policies

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on January 1, 2024. The Company has reviewed the updates and determined that the updates are not applicable to or consequential to the Company's consolidated financial statements and have been excluded from discussion within these material accounting policies.

o. Standards issued but not yet effective

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

4. Significant accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Critical accounting judgements

Judgments made in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

a. Functional currency

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The functional currency for the Company is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

b. Title to exploration and evaluation assets

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c. Transactions

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. There are judgements in measuring the fair value of equity instruments issued as consideration and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

d. Going concern

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

Critical accounting estimates

Estimates made in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

a. Estimated useful lives of equipment

The Company estimates depreciation rates and selects methods used to allocate depreciable amounts of equipment in a systematic basis over their estimated useful lives. Technical obsolescence of equipment could significantly impact estimated residual useful lives and in turn carrying values being over or understated.

b. Valuation of share purchase warrants and share options

In calculating the fair value of share purchase warrants and share options issued, management determines the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The inputs used in the model require estimates related to the Company's current share price, share price volatility, dividend yield and the expected life of the equity instrument. To the extent that these estimates are not correct, the value of the instruments within equity may differ.

c. Deferred income tax

The Company recognizes deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

5. Reverse Takeover Transaction

In accordance with the terms and conditions of the Business Combination Agreement, the Transaction was completed by way of a three-cornered amalgamation, whereby, among other things: (i) 1424060 B.C. Ltd., a wholly-owned subsidiary of First Uranium incorporated for the purpose of effecting the Transaction, amalgamated with Reefton to form an amalgamated company ("Amalco"); (ii) holders of common shares in the capital of Reefton received 1.6 common shares in the capital of First Uranium for each share held in Reefton (the "Exchange Ratio") and Reefton's shares were cancelled; (iii) First Uranium share purchase warrants were issued to the holders of Reefton's share purchase warrants in accordance with the Exchange Ratio, and Reefton's warrants were cancelled; (iv) Amalco became a wholly owned subsidiary of First Uranium; and (v) First Uranium changed its name to "Rua Gold Inc."

In connection with the Transaction, First Uranium entered into a term sheet to extend to Reefton a non-revolving secured loan credit facility of up to $805,000 (the "Loan") to fund exploration programs on the Reefton project and for general corporate and working capital purposes, which was drawn in full during the year ended December 31, 2023. On February 16, 2024, the Loan was amended and restated to allow for an additional $500,000 drawdown, which was received in full prior to the closing of the Transaction. The total principal amount outstanding of $1,350,000 and all interest accrued thereon was waived in its entirety upon completion of the Transaction.

(Expressed in Canadian dollars)

Upon closing the Transaction, First Uranium issued 18,742,812 common shares to Reefton's shareholders. The First Uranium warrant holders retained 1,551,646 share purchase warrants on the Transaction, which were valued at $163,311. The fair value of the warrants was determined using the Black Scholes Option Pricing Model (Note 11) and First Uranium cancelled all 66,667 of its issued and outstanding stock options. During the year ended December 31, 2024, the Company incurred $116,143 in transaction costs relating to the Transaction which were expensed on the consolidated statements of loss.

The Transaction was accounted for in accordance with guidance provided in IFRS 2 - *Share-Based Payments*, as First Uranium did not qualify as a business according to the definition of IFRS 3 – *Business Combinations*. Accordingly, the Transaction was accounted for as the purchase of First Uranium's net assets by Reefton.

The consideration was measured at the fair value of the shares that Reefton would have had to issue to shareholders of the Company to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the Transaction has it taken the legal form of Reefton acquiring the Company.

The aggregate fair value of the consideration paid, less the net assets acquired has been recognized as a listing expense in the statements of loss and comprehensive loss.

The following table shows the consideration and allocation of the purchase price to the identifiable assets and liabilities based on their estimated fair values at the date of the Transaction:

Purchase Price		
Fair value of common shares issued (Note 11)	$	8,112,659
Fair value of share purchase warrants retained (Note 11)		163,311
Total consideration		**8,275,970**
Cash		5,611,189
GST receivables		87,358
Prepaid expenses		271,189
The Loan		1,305,000
Accounts payable and accrued liabilities		(273,807)
Net assets acquired		**7,000,929**
Listing expense	**$**	**1,275,041**

6. Share Purchase Agreement

On November 25, 2024, the Company completed an acquisition pursuance to a definitive share purchase agreement (the "Agreement"), whereby the Company acquired 100% of the issued and outstanding shares of RRL, a wholly owned subsidiary of Siren Gold Ltd. ("Siren") with tenements located adjacent to the Company's suite of properties in New Zealand's prolific Reefton Goldfield (the "Reefton Transaction"). As consideration for the acquisition of RRL, the Company:

- paid an aggregate of AUD$2,395,053 to Siren, of which (i) AUD$1,000,000 ($932,510) was paid by the Company upon entering into the Agreement in the form of a forgivable loan; (ii) AUD$1,346,234 ($1,234,752) at the completion of the Reefton Transaction (the "Closing Date"); and (iii) AUD$48,819 ($44,000) subsequent to the completion of the Reefton Transaction as a working capital adjustment.
- paid AUD$2,000,000 ($1,834,380) in cash in exchange for 10,000,000 common shares of Siren; and
- on the Closing Date, issued 13,987,900 common shares in the capital of the Company to Siren, having an aggregate value of $12,589,107 (the "Consideration Shares").

During the year ended December 31, 2024, the Company incurred $735,882 in transaction costs relating to the Reefton Transaction which were included in the total consideration calculation.

The Transaction was accounted for in accordance with guidance provided in IFRS 2 - Share-Based Payments, as RRL did not qualify as a business according to the definition of IFRS 3 – Business Combinations. Accordingly, the Reefton Transaction was accounted for as the purchase of RRL net assets by the Company. Following the closing of the Reefton Transaction, RRL became a wholly owned subsidiary of the Company. There was no change of control of the Company as a result of the Reefton Transaction.

(Expressed in Canadian dollars)

The following table shows the consideration and allocation of the purchase price to the identifiable assets and liabilities based on their estimated fair values at the date of the Reefton Transaction:

Purchase Price		
Fair value of common shares issued (Note 11)	$	12,589,107
Promissory note issued		932,510
Cash consideration paid		1,278,752
Transaction costs		735,882
Total consideration		**15,536,251**
Cash		1,739
Receivables		25,684
Prepaid expenses		85,102
Reclamation bonds (Note 10)		204,450
Equipment (Note 9)		52,031
Exploration and evaluation assets expensed (Note 10)		15,187,176
Accounts payable and accrued liabilities		(19,931)
Net assets acquired	**$**	**15,536,251**

7. Financing

On July 25, 2024, the Company closed a public offering consisting of 7,407,500 common shares of the Company at a price of $1.08 per common share for aggregate gross proceeds of $8,000,100 (the “Offering”).

In consideration for services rendered in connection with the Offering, the Company paid the Agents an aggregate cash fee of $402,000 and issued to the Agents an aggregate of 413,895 broker warrants (the “Broker Warrants”). Each Broker Warrant is exercisable to acquire one common share at the exercise price of $1.08 per common share for a period of 24 months following the closing of the Offering. During the year ended December 31, 2024, the Company incurred $845,173 in cash financing costs relating to the Offering.

8. Investments

	Units		**$**
Balance, December 31, 2022 and 2023	-		-
Siren shares purchased	6,300,000		443,423
Siren shares purchased pursuant to the Reefton Transaction (Note 6)	10,000,000		1,834,380
Change in fair value of investments	-		(1,333,258)
Balance, December 31, 2024	**16,300,000**	**$**	**944,545**

(Expressed in Canadian dollars)

9. Equipment

		Computers and office equipment		Exploration equipment		Vehicles		Total
Cost								
Balance, December 31, 2022	$	26,965	$	135,270	$	17,013	$	179,248
Additions		4,286		10,606		715		15,607
Currency translation		(623)		(3,462)		(435)		(4,520)
Balance, December 31, 2023		**30,628**		**142,414**		**17,293**		**190,335**
Additions		1,210		24,863		19,644		45,717
Assets acquired on Reefton Transaction (Note 6)		4,080		24,474		23,477		52,031
Currency translation		(1,168)		(6,520)		(1,597)		(9,285)
Balance, December 31, 2024	**$**	**34,750**	**$**	**185,231**	**$**	**58,817**	**$**	**278,798**
Accumulated depreciation								
Balance, December 31, 2022	$	17,428	$	75,385	$	12,153	$	104,966
Additions		5,901		32,297		1,521		39,719
Currency translation		(239)		(1,853)		(304)		(2,396)
Balance, December 31, 2023		**23,090**		**105,829**		**13,370**		**142,289**
Additions		4,461		25,810		6,743		37,014
Currency translation		(941)		(4,448)		(650)		(6,039)
Balance, December 31, 2024	**$**	**26,610**	**$**	**127,191**	**$**	**19,463**	**$**	**173,264**
Net Book Value								
December 31, 2023	$	7,538	$	36,585	$	3,923	$	48,046
December 31, 2024	**$**	**8,140**	**$**	**58,040**	**$**	**39,354**	**$**	**105,534**

10. Exploration and evaluation expenditures

The Company's exploration and evaluation expenditures are expensed as incurred. During the years ended December 31, 2024 and 2023, the Company incurred the following expenditures:

		Year ended December 31, 2024		2023
Exploration costs expensed pursuant to Reefton Acquisition (Note 6)	**$**	**15,187,176**	$	-
Drilling		**1,638,727**		271,361
Salaries		**818,453**		552,381
Consultants		**584,723**		72,550
Office and other		**449,483**		328,732
Field expenses		**381,216**		272,005
Permits		**198,766**		100,664
	$	**19,258,544**	$	1,597,693

The Company has paid reclamation deposits to New Zealand's Department of Conservation as part of access arrangements for $306,470 (NZD $380,000) (2023 - $83,630 (NZD $100,000)), including $204,450 (NZD$250,000) (2023 - $nil) which were acquired pursuant to the Reefton Transaction (Note 6).

MGP Partnership maintains a $1,000,000 net-smelter returns royalty ("NSR") on all precious metals and minerals produced from hard rock mining conducted under the Company's Kirwans Hill permit, as a result of the Company acquiring the permit through an option agreement.

(Expressed in Canadian dollars)

11. Share capital

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at December 31, 2024, the Company has 53,659,310 (December 31, 2023 – 13,521,098) common shares outstanding.

(b) Issued and outstanding

During the year ended December 31, 2023, there were no share transactions.

On February 27, 2024, pursuant to the terms of the Transaction, the Company issued 18,742,812 common shares to former shareholders of Reefton with a fair value of $8,112,659 (Note 5).

On July 25, 2024, pursuant to the Offering, the Company issued 7,407,500 common shares at a price of $1.08 per common share for aggregate gross proceeds of $8,000,100 (Note 7).

On November 25, 2024, pursuant to the terms of the Reefton Transaction, the Company issued 13,987,900 common shares to Siren with a fair value of $12,589,107 (Note 6).

(c) Escrowed shares

As part of the Transaction, certain directors of the Company entered into an Escrow Agreement with Computershare Investor Services Inc. with respect of 4,105,438 common shares of the Company. Under the terms of the Escrow Agreement, 1/10 of the escrowed common shares were released upon listing of the Company on the CSE on March 4, 2024, with subsequent 1/6 releases occurring 6, 12, 18, 24, 30, and 36 months thereafter. As at December 31, 2024, 3,079,078 common shares were held in escrow.

(d) Share purchase warrants

	Warrants outstanding	Weighted average exercise price
Balance, December 31, 2022 and 2023	1,413,333	$1.20
Granted pursuant to the Transaction (Note 5)	1,551,646	$1.55
Granted pursuant to the Offering (Note 7)	413,895	$1.08
Expired	(301,645)	$3.00
Balance, December 31, 2024	**3,077,229**	**$1.18**

On February 27, 2024, pursuant to the terms of the Transaction, 1,551,646 share purchase warrants held by the First Uranium shareholders were retained. The warrants had exercise prices of $1.20 to $3.00 and a fair value of $163,311 (Note 5). In addition, Reefton had 883,333 (1,413,333 post-Transaction) share purchase warrants previously issued and outstanding, which were adjusted by the exchange ratio of 1.6 and the exercise price was amended to $1.20. There was an incremental value of $nil recognized on the modification.

On July 25, 2024, pursuant to the Offering, the Company granted 413,895 Broker Warrants exercisable to acquire one common share at the exercise price of $1.08 per common share for a period of 24 months following the closing of the Offering. The total fair value of the Broker Warrants issued was $231,041 and was recorded as share issuance costs.

The Company used the Black-Scholes Option Pricing Model with the following weighted average assumptions to value the warrants issued during the year ended December 31, 2024:

(Expressed in Canadian dollars)

	2024	2023
Risk-free interest rate	4.21%	-
Expected life	1.21 years	-
Annualized volatility	100.00%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

The following table summarizes information about the share purchase warrants as at December 31, 2024:

Exercise price	Number of warrants outstanding	Expiry date	Remaining contractual life
$1.20	2,663,334*	March 31, 2025	0.25 years
$1.08	413,895	July 25, 2026	1.56 years
	3,077,229		

*These warrants expired unexercised subsequent to year end.

(e) Share options

The Company has adopted a rolling stock option plan (the "Plan") whereby the option to acquire up to 10% of the issued share capital may be granted to eligible optionees from time to time. The Plan permits options granted to have a maximum term of ten years, a vesting period determined by the directors, and the exercise price may not be less than the market price, as prescribed by regulatory requirements. A summary of the changes in the share options is presented below:

	Options outstanding	Weighted average exercise price
Balance, December 31, 2022 and 2023	-	-
Granted	2,083,334	$0.73
Balance, December 31, 2024	**2,083,334**	**$0.73**

The following table summarizes information about the share options exercisable as at December 31, 2024:

Exercise Price	Number of options outstanding	Number of options exercisable	Remaining contractual life
$0.60	1,666,667	-	4.17 years
$1.05	250,000	-	4.30 years
$1.50	166,667	-	4.32 years
	2,083,334	**-**	

On March 1, 2024, the Company granted 1,666,667 stock options with an exercise price of $0.60 per share, exercisable until March 1, 2029. On April 17, 2024, the Company granted 250,000 stock options with an exercise price of $1.05 per share, exercisable until April 17, 2029. On April 29, 2024, the Company granted 166,667 stock options with an exercise price of $1.50 per share, exercisable until April 29, 2029. The stock options vest equally over three years, commencing one year after the grant date. During the year ended December 31, 2024, the Company recorded a share-based payments expense of $522,271 (2023 - $nil) relating to the vesting of the options.

(Expressed in Canadian dollars)

The Company used the Black-Scholes Option Pricing Model to value the share options granted using the following assumptions:

	2024	**2023**
Risk-free interest rate	3.63%	-
Expected life	5 years	-
Annualized volatility	100.00%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

Subsequent to December 31, 2024, the Company granted 1,702,000 stock options with an exercise price of $0.60 per share, exercisable until January 1, 2030.

(f) Deferred share units

On April 17, 2024 and amended on July 24, 2024, the Company adopted a Deferred Share Unit (“DSU”) Plan to compensate non-executive directors for their director fees and any other discretionary grants of DSUs by the Board of Directors. The number of DSUs which may be reserved for issuance must be taken into consideration with the Company’s other share compensation arrangements and those, in combination, shall not be greater than 10% of the number of shares outstanding. Each DSU is redeemable only when the director has ceased to be a member of the Board of Directors. The vested units are settled with common shares of the Company once redeemed. A summary of the changes in the DSUs is presented below:

	DSUs outstanding	**Weighted average grant price**
Balance, December 31, 2022 and 2023	-	-
Granted	383,895	$1.06
Balance, December 31, 2024	**383,895**	**$1.06**

On April 17, 2024, the Company granted 20,913 DSUs with a resulting fair value of $22,082 (2023 - $nil) which vested immediately, and the full amount was recognized as share-based compensation expense during the year ended December 31, 2024. On April 17, 2024, the Company also granted 125,000 DSUs with a resulting fair value of $131,250 (2023 - $nil) which vest equally over three years commencing one year after the grant date and $56,814 (2023 - $nil) of share-based compensation expense was recognized relating to the vesting of these DSUs during the year ended December 31, 2024.

On June 30, 2024, the Company granted 54,390 DSUs with a resulting fair value of $62,981 (2023 - $nil), which vest over the period of one year and $31,492 (2023 - $nil) of share-based compensation expense was recognized during the year ended December 31, 2024.

On September 30, 2024, the Company granted 65,395 DSUs with a resulting fair value of $66,250 (2023 - $nil), which vest over the period of one year and $16,563 (2023 - $nil) of share-based compensation expense was recognized during the year ended December 31, 2024.

On December 31, 2024, the Company granted 118,197 DSUs with a resulting fair value of $71,143 (2023 - $nil), which vest over the period of one year and $nil (2023 - $nil) of share-based compensation expense was recognized during the year ended December 31, 2024.

Subsequent to December 31, 2024, the Company granted 263,188 DSUs with a resulting fair value of $159,668. 101,208 of the DSUs vest over a period of three years and 161,980 DSUs vest over a period of one year.

(Expressed in Canadian dollars)

12. Income taxes

The Company is subject to federal and provincial tax for the estimated assessable profit for the years ended December 31, 2024 and 2023. The Company had no assessable profit for the year. The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

		December 31, 2024		December 31, 2023
Loss for the year	**$**	**(25,556,475)**	$	(1,964,814)
Statutory rates		27% - 30%		27% - 30%
Income tax recovery based on statutory rate		**(7,092,000)**		(531,000)
Change in statutory, foreign tax, foreign exchange rates and other		**1,000**		4,000
Permanent differences		**727,000**		-
Share issuance costs		**(228,000)**		-
Adjustment to prior years provision versus statutory tax returns		**(438,000)**		-
Change in unrecognized deductible temporary differences		**7,030,000**		527,000
Total income taxes	**$**	**-**	$	-

The significant components of the Company's deferred tax assets are as follows:

		December 31, 2024		December 31, 2023
Equipment	**$**	**109,000**	$	13,000
Share issuance costs		**182,000**		-
Investment		**180,000**		-
Mineral properties		**240,000**		240,000
Non-capital losses		**8,361,000**		1,630,000
		9,072,000		1,883,000
Unrecognized net deferred income tax assets		**(9,072,000)**		(1,883,000)
Net deferred tax assets	**$**	**-**	$	-

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		December 31, 2024		December 31, 2023
Equipment	**$**	**400,000**	$	48,000
Share issuance costs		**676,000**		-
Investment		**1,332,000**		-
Mineral properties		**858,000**		858,000
Non-capital losses		**29,978,000**		5,814,000

With the exception of Canadian tax losses of $4,056,000 (2023 – $938,000) expiring between 2043 and 2044 (2022 – 2043), the remaining losses of $25,921,000 (2023 – $4,876,000) in New Zealand and Australia are without expiry.

13. 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. The Company's key management personnel include all directors and officers of the Company and the companies controlled by these individuals. The remuneration of key management personnel during the year were as follows:

(Expressed in Canadian dollars)

		Year ended December 31, 2024		2023
Salaries and wages	**$**	**630,292**	$	166,082
Professional fees		**199,900**		26,322
Share-options granted		**448,803**		-
DSUs granted		**126,951**		-
	$	**1,405,946**	$	192,404

Officers and directors of the Company were also reimbursed for out-of-pocket expenses that occur in the normal course of operations. As at December 31, 2024, there was $165,222 (December 31, 2023 – $2,375) payable to directors and officers of the Company included in accounts payable and accrued liabilities. The amounts are unsecured, non-interest bearing and have no terms of repayment.

14. Financial instruments and risk management

Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

- Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).
- Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at December 31, 2024 and 2023, the Company carried its investment at FVTPL as a level 1 financial instrument. The carrying values of the Company's financial assets and liabilities carried at amortized cost, including cash and cash equivalents, reclamation bonds, accounts payable and accrued liabilities, and promissory note payable, approximate fair value due to their short terms to maturity.

Risk management

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

(i) Credit risk

Credit risk is the risk that may arise on outstanding financial instruments should a counter party default on its obligation. The Company's primary exposure to credit risk is in its cash accounts. The Company's cash and cash equivalent balances are held with large, credit worthy financial institutions and as such, the risk of loss is considered to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meetings its financial obligations as they fall due. As at December 31, 2024, the Company's financial liabilities consist of its accounts payable and accrued liabilities. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its budget, forecasts and expenditures accordingly. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at December 31, 2024, the Company had a cash balance of $1,206,463 (December 31, 2023 – $207,733) to cover its accounts payable and accrued liabilities of $1,264,076 (December 31, 2023 – $1,295,342). In order to maintain its current level of operations the Company may need to secure additional financing (Note 1).

(iii) Market price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations, amongst other things, in the market price of commodities, global financial markets and investor sentiment. The Company closely monitors commodity prices and financial markets to determine the appropriate course of action to be taken by the Company.

(iv) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows on an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange relates primarily to those of the Company's net assets denominated in NZD. A 10% change in the value of CAD relative to NZD would not have a material impact on these consolidated financial statements.

15. Capital management

In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefits of stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying asset. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint arrangements, or dispose of assets. The Company is not subject to any externally imposed capital requirements.

16. Segmented operations

The Company business consists of only one operating segment, being the exploration and evaluation of mineral properties in New Zealand.

The Company's geographic information for the year ended December 31, 2024 include total assets of $2,277,807 (December 31, 2023 – $186,653) in Canada and $1,235,702 (December 31, 2023 – $329,481) in New Zealand, and total losses of $6,429,548 (December 31, 2023 – $376,586) in Canada and $19,126,927 (December 31, 2023 – $1,588,228) in New Zealand.

17. Subsequent events

On February 20, 2025, the Company closed a public offering consisting of 9,583,410 common shares of the Company at a price of $0.60 per common share for aggregate gross proceeds of $5,750,046.

In consideration for services rendered in connection with the Offering, the Company paid the Agents an aggregate cash fee of $269,999 and issued to the Agents an aggregate of 575,004 Broker Warrants. Each Broker Warrant is exercisable to acquire one common share at the exercise price of $0.60 per common share for a period of 24 months following the closing of the Offering. The Company incurred an aggregate of $486,717 in transaction costs relating to the Offering.