

**LAKE WINN RESOURCES CORP.**

**CONSOLIDATED AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2024 AND 2023**

# Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Lake Winn Resources Inc.**

### Opinion

We have audited the consolidated financial statements of **Lake Winn Resources Inc.** (the "Company"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 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") as issued by the International Accounting Standards Board ("IASB").

### 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 *Auditors' Responsibilities for the Audit of the Consolidated financial statements* section of our report. We are independent of the Company in accordance with 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 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other than the matter described in the "Material Uncertainty Related to Going Concern" section of this report, there is no other key audit matter to be communicated in this report.

### Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters 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.

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.

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

Vancouver, Canada,  
April 30, 2025

*Mao & Ying LLP*

Chartered Professional Accountants

**Lake Winn Resources Corp.**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

|   | December 31,<br>2024 | December 31,<br>2023 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| <b>Current</b>  |                      |                      |
| Cash  | \$ 5,032             | \$ 66,749            |
| Accounts receivable (Notes 5)                             | 12,213               | 11,088               |
| Due from related parties (Note 9)                         | 44,792               | 27,565               |
| Prepaid expenses  | 1,042                | 3,664                |
|   | <u>63,079</u>        | <u>109,066</u>       |
| <b>Equipment (Note 6)</b>                                 | <b>55,100</b>        | <b>68,875</b>        |
| <b>Exploration and evaluation assets (Notes 7 and 15)</b> | <b>-</b>             | <b>424,350</b>       |
|   | <u>55,100</u>        | <u>493,225</u>       |
| <b>Total assets</b>                                       | <b>\$ 118,179</b>    | <b>\$ 602,291</b>    |
| <b>LIABILITIES</b>  |                      |                      |
| <b>Current</b>  |                      |                      |
| Accounts payable  | \$ 939,879           | \$ 664,556           |
| Accrued liabilities                                       | 193,183              | 70,000               |
| Loan payable (Note 10)                                    | 70,000               | -                    |
| Other payables (Note 11)                                  | 149,682              | 94,250               |
| Due to related parties (Note 9)                           | 216,818              | 202,231              |
|   | <u>1,569,562</u>     | <u>1,031,037</u>     |
| <b>SHAREHOLDERS' DEFICIT</b>                              |                      |                      |
| Share capital (Note 8)                                    | 14,532,275           | 14,193,283           |
| Reserves (Note 8)   | 2,303,596            | 2,220,633            |
| Deficit   | (18,287,254)         | (16,842,662)         |
| <b>Total shareholders' deficit</b>                        | <u>(1,451,383)</u>   | <u>(428,746)</u>     |
| <b>Total liabilities and shareholders' deficit</b>        | <b>\$ 118,179</b>    | <b>\$ 602,291</b>    |

Going concern (Note 1)

Approved on behalf of the Board on April 30, 2025 by:

"Patrick Power"  
Signed

"Buddy Doyle"  
Signed

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

**Lake Winn Resources Corp.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**

| <b>Years Ended December 31</b>                       | <b>2024</b>           | <b>2023</b>           |
|--|-----------------------|-----------------------|
| <b>Expenses</b>                                      |                       |                       |
| Accounting and audit (Note 9)                        | \$ 79,500             | \$ 86,350             |
| Consulting fees                                      | 340,000               | 216,376               |
| Depreciation (Notes 6 and 9)                         | 13,775                | 3,625                 |
| Exploration (Notes 7 and 9)                          | 182,315               | 462,262               |
| Filing and transfer agent fees                       | 30,704                | 20,991                |
| Interest expense                                     | 19,470                | 7,946                 |
| Investors relation and promotion                     | 130,235               | 137,536               |
| Legal  | 53,525                | 101,203               |
| Management fees (Note 9)                             | 120,000               | 132,000               |
| Office   | 26,508                | 13,706                |
| Rent (Note 9)  | 50,141                | 47,160                |
| Stock based compensation                             | -                     | 225,403               |
|  | <u>(1,046,173)</u>    | <u>(1,454,558)</u>    |
| <b>Other Items</b>                                   |                       |                       |
| Write-off resource property (Note 7)                 | (424,350)             | -                     |
| Rent recovery (Note 9)                               | 25,931                | 26,252                |
|  | <u>(398,419)</u>      | <u>26,252</u>         |
| <b>Loss and comprehensive loss for the year</b>      | <b>\$ (1,444,592)</b> | <b>\$ (1,428,306)</b> |
| <b>Loss per share – basic and diluted</b>            | <b>\$ (0.20)</b>      | <b>\$ (0.21)</b>      |
| <b>Weighted average number of shares outstanding</b> | <b>7,283,344</b>      | <b>6,696,897</b>      |

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

**Lake Winn Resources Corp.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**(Expressed in Canadian Dollars)**

|  | Number of<br>Shares<br>(Note 8) | Share Capital        | Shares<br>Subscribed | Reserves            | Deficit                | Shareholders'<br>equity |
|--|---------------------------------|----------------------|----------------------|---------------------|------------------------|-------------------------|
| <b>Balance, December 31, 2022</b>              | <b>5,970,664</b>                | <b>\$ 13,652,502</b> | <b>\$ 157,500</b>    | <b>\$ 1,995,230</b> | <b>\$ (15,414,356)</b> | <b>\$ 390,876</b>       |
| Proceeds from issuance of shares - net         | 926,500                         | \$ 555,900           | \$ (157,500)         | \$ -                | \$ -                   | \$ 398,400              |
| Shares issue costs                             | -                               | (15,119)             | -                    | -                   | -                      | (15,119)                |
| Stock based compensation                       | -                               | -                    | -                    | 225,403             | -                      | 225,403                 |
| Loss for the year                              | -                               | -                    | -                    | -                   | (1,428,306)            | (1,428,306)             |
| <b>Balance, December 31, 2023</b>              | <b>6,897,164</b>                | <b>\$ 14,193,283</b> | <b>\$ -</b>          | <b>\$ 2,220,633</b> | <b>\$ (16,842,662)</b> | <b>\$ (428,746)</b>     |
| Proceeds from issuance of units                | 1,738,000                       | 344,000              | -                    | -                   | -                      | 344,000                 |
| Allocation proceeds to warrants                | -                               | (110,600)            | -                    | 110,600             | -                      | -                       |
| Shares issue costs                             | -                               | (12,295)             | -                    | -                   | -                      | (12,295)                |
| Shares issued for services                     | 391,536                         | 56,500               | -                    | -                   | -                      | 56,500                  |
| Proceeds from exercise of stock options        | 45,000                          | 33,750               | -                    | -                   | -                      | 33,750                  |
| Transfer reserves upon stock options exercised | -                               | 27,637               | -                    | (27,637)            | -                      | -                       |
| Loss for the year                              | -                               | -                    | -                    | -                   | (1,444,592)            | (1,444,592)             |
| <b>Balance, December 31, 2024</b>              | <b>9,071,700</b>                | <b>\$ 14,532,275</b> | <b>\$ -</b>          | <b>\$ 2,303,596</b> | <b>\$ (18,287,254)</b> | <b>\$ (1,451,383)</b>   |

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

**Lake Winn Resources Corp.**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**

| Years Ended December 31                               | 2024             | 2023               |
|---|------------------|--------------------|
| <b>Cash flows provided by (used in)</b>               |                  |                    |
| <b>Operating activities</b>                           |                  |                    |
| Loss for the year                                     | \$ (1,444,592)   | \$ (1,428,306)     |
| <b>Items not affecting cash:</b>                      |                  |                    |
| Depreciation  | 13,775           | 3,625              |
| Interest expense                                      | 19,470           | 7,946              |
| Shares issued for the services                        | 56,500           | -                  |
| Write-off resource property                           | 424,350          | -                  |
| Stock based compensation                              | -                | 225,403            |
| <b>Changes in non-cash working capital items:</b>     |                  |                    |
| Accounts receivable                                   | (1,125)          | (2,863)            |
| Due from related parties                              | (17,227)         | -                  |
| Prepaid expenses and deposits                         | 2,622            | (3,664)            |
| Exploration advances                                  | -                | 61,006             |
| Accounts payable                                      | 275,323          | 178,793            |
| Accrued liabilities                                   | 123,183          | (65,000)           |
| <b>Net cash used in operating activities</b>          | <b>(547,721)</b> | <b>(1,023,060)</b> |
| <b>Financing activities</b>                           |                  |                    |
| Common shares   | 344,000          | 398,400            |
| Shares issue costs                                    | (12,295)         | (15,119)           |
| Shares issued pursuant to exercise of stock options   | 33,750           | -                  |
| Due to related parties                                | 10,549           | 13,041             |
| Proceeds from loan                                    | 70,000           | -                  |
| Other payables  | 40,000           | 94,250             |
| <b>Net cash provided by financing activities</b>      | <b>486,004</b>   | <b>490,572</b>     |
| <b>Change in cash during the year</b>                 | <b>(61,717)</b>  | <b>(532,488)</b>   |
| <b>Cash, beginning of the year</b>                    | <b>66,749</b>    | <b>599,237</b>     |
| <b>Cash, end of the year</b>                          | <b>\$ 5,032</b>  | <b>\$ 66,749</b>   |
| Supplemental cash flow information (also see Note 11) |                  |                    |
| Interest expense paid in cash                         | \$ -             | \$ -               |
| Income tax paid in cash                               | \$ -             | \$ -               |

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

**Lake Winn Resources Corp.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**1. NATURE AND GOING CONCERN**

Lake Winn Resources Corp. (the “Company”) was incorporated on September 21, 2010 under the laws of the British Columbia Business Corporations Act. The Company is listed on NEX and trades under the symbol LWR.H. The address of its registered head office is Suite 1100 -1111 Melville St., Vancouver, British Columbia, Canada V6E 3V3.

The Company is in the process of exploring its resource properties in Canada 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.

At December 31, 2024, the Company recorded a loss of \$1,444,592 (December 31, 2023 - \$1,428,306) and has working capital deficiency of \$1,506,483 (December 31, 2023 - \$921,971). The Company has not yet achieved profitable operations, has a deficit of \$18,287,254 (December 31, 2023 - \$16,842,662) since its inception and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned work program on its mineral properties, meet its on-going levels of corporate overhead, keep its property in good standing and discharge its liabilities as they come due. These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company is seeking financial resources to undertake its currently planned work programs and has been successful in the past in obtaining financing. However, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these financial statements.

**2. BASIS OF PRESENTATION**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments, which are measured at fair value (see Note 3 (k)). All financial information in these consolidated financial statements is presented in Canadian dollars, which is the functional currency of the parent Company and its subsidiaries. The accounting policies set out below have been applied consistently by the Company.

All significant inter-company balances and transactions have been eliminated.

**(c) Basis of consolidation**

These consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiary Gold Winn Resources Corp (“Gold Winn”). Gold Winn was incorporated under the laws of the British Columbia Business Corporations Act. All significant inter-company balances and transactions have been eliminated. Subsidiaries are entities controlled by the Company, and are included in the consolidated financial statements from the date that control commences until the date that control ceases.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **(a) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at banks and on hand, and short-term deposits with an original maturity of three months or less and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts. Cash may also be invested in guaranteed investment certificates that are available on demand by the Company for its program. The Company does not invest in any asset-backed deposits/investments. As at December 31, 2024 and 2023, the Company did not have any cash equivalents.

#### **(b) Foreign exchange**

The functional currency of the Company, as determined by management, is the Canadian dollar and this is also the currency in which it presents these financial statements. The Company recognizes transactions in currencies other than the Canadian dollar at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates. Non-monetary items are measured in terms of historical cost and are not retranslated. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

#### **(c) Equipment**

Equipment is recorded at cost less accumulated depreciation and impairment losses. Amortization is provided over the assets' estimated useful life approximately 5 years using the straight-line method.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit ("CGU") exceeds its recoverable amount. Impairment losses are recognized in profit or loss for the year. CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Recoverable amount is the greater of the asset's fair value less cost to sell and value in use.

#### **(d) Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(e) 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 material restoration, rehabilitation or environmental liabilities related to its exploration and evaluation assets.

**(f) Share based payments**

The Company has adopted an employee stock option plan. Share based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options is determined using a Black-Scholes pricing model. The number of shares and options 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. 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.

**(g) Earnings (loss) per share**

Basic earnings (loss) per share are calculated by dividing the net income (loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. For the period presented, dilutive loss per share is equal to basic loss per share.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(h) Exploration and evaluation assets**

The Company charges to operations all exploration and evaluation expenses incurred prior to the determination of economically recoverable reserves. These costs would also include periodic fees such as license and maintenance fees.

The Company capitalizes direct exploration and evaluation asset acquisition costs and those expenditures incurred following the determination that the property has economically recoverable resources. Exploration and evaluation asset acquisition costs include cash consideration and the fair value of common shares issued for exploration and evaluation asset interests, pursuant to the terms of the relevant agreement. These costs are amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse or abandoned, or when impairment in value has been determined to have occurred. Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that its

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(h) Exploration and evaluation assets (continued)**

carrying amount may not be recoverable. Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects. As at September 30, 2024 and December 31, 2023, the Company had not determined economically recoverable resources.

**(i) Flow-through shares**

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a deferred credit. When expenditures are renounced, a deferred tax liability is recognized and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subjected to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

**(j) Warrants issued in equity financing transactions**

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the agreement. Warrants that are part of units are assigned a value based on the residual value of the unit after deducting the fair value of the common shares. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments and are recorded at fair value using the Black-Scholes Option Pricing Model. The fair value of these warrants is charged to share issuance costs associated with the offering with the offsetting entry crediting reserves.

**(k) Financial instruments**

The Company follows IFRS 9 – Financial Instrument ("IFRS 9") to account for its financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

The Company classifies its financial assets into one of three categories, depending on the purpose for which the asset was acquired: (i) amortized cost; (ii) fair value changes through other comprehensive income ("FVTOCI"); and (iii) fair value through profit loss ("FVTPL").

The Company classifies its financial liabilities into one of two categories (i) amortized cost; and (ii) FVTPL.

*Initial recognition and subsequent measurement*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial assets and liabilities classified

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(k) Financial instruments (continued)**

as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income or cost.

Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

The Company has classified cash as FVTPL, accounts receivable (excluding GST), accounts payable, accrued liabilities, lease liabilities and due to related parties as amortized cost. As at December 31, 2024 and 2023, the Company does not have financial assets classified as FVTOCI and no financial liabilities are classified at FVTPL.

*Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

*Derecognition*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

*Fair value of financial instruments*

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

**(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.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **(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 has applied the short-term lease exemption for the 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.

#### **(n) New accounting standards and interpretations**

Certain accounting standards or amendments to existing accounting standards that have been issued that are not mandatory for the current period and have not been early adopted.

##### *Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments*

In May 2024, the International Accounting Standards Board (“IASB”) issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (“ESG”)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. Management is currently assessing the effect of these amendments on the Company’s financial statements.

##### *IFRS 18 – Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(n) New accounting standards and interpretations (continued)**

Retrospective application is required, and early application is permitted. Management is currently assessing the effect of this new standard on our financial statements.

**(o) Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below.

Going concern

The factors considered by management are discussed in Note 1.

Impairment assessment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. The Company considered the following facts and circumstances in determination if it should test exploration and evaluation assets for impairment:

- (i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of
- (iv) commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- (v) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(p) Significant accounting judgments and estimates (continued)**

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

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. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

As at December 31, 2024 and 2023, the Company has assessed that there are no impairment indicators with respect to its exploration and evaluation assets.

**4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES**

**(a) Fair value of financial instruments**

The Company's financial instruments at December 31, 2024 and 2023 consist of cash, accounts receivable (excluding GST), accounts payable, accrued liabilities, other payables and due to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of accounts receivable, accounts payable, accrued liabilities, and due to related parties approximate their fair values because of their nature and respective maturity dates or durations.

The Company's financial instruments that are measured at fair value on a recurring basis is cash and it is level 1 financial instrument as at December 31, 2024 and 2023.

**(b) Risk management**

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable (excluding GST). The Company has no significant concentration of credit risk arising from operations. Cash is held with a reputable Canadian financial institution, from which management believes the risk of loss to be minimal. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

*Interest Rate Risk*

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there was sufficient capital in order to meet annual business requirements, after taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. As the Company does not generate operating cash inflow, the Company has relied primarily on equity financings to meet its capital requirements.

*Foreign currency risk*

The Company's functional currency is the Canadian dollar and it transacts major purchases in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is minimal and therefore does not hedge its foreign exchange risk.

**4. FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES**

**(c) Risk management (continued)**

*Commodity price risk*

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

**(d) Capital management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimises the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes cash, debt and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and adjusts to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, and acquire or dispose of assets. The Company is dependent on the capital markets as its sole source of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to those markets and by its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. However, it is subject to any regulations and rules imposed by the TSX-V in issuing and/or maintaining debt or equity financings. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**Lake Winn Resources Corp.**  
**Notes to the Consolidated Financial Statements**  
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**5. ACCOUNTS RECEIVABLE**

|                | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|----------------|------------------------------|----------------------|
| GST receivable | \$ 12,213                    | \$ 11,088            |
|                | <b>\$ 12,213</b>             | <b>\$ 11,088</b>     |

**6. EQUIPMENT**

| <b>Cost</b>                      | <b>Equipment</b> |               |
|----------------------------------|------------------|---------------|
| Balance at December 31, 2023     | \$               | 72,500        |
| Additions                        |                  | -             |
| <b>Balance December 31, 2024</b> | <b>\$</b>        | <b>72,500</b> |
| <b>Accumulated depreciation</b>  | <b>Equipment</b> |               |
| Balance at December 31, 2023     | \$               | 3,625         |
| Depreciation                     |                  | 13,775        |
| <b>Balance December 31, 2024</b> | <b>\$</b>        | <b>17,400</b> |
| <b>Net carrying amounts</b>      | <b>Total</b>     |               |
| At December 31, 2022             | \$               | -             |
| At December 31, 2023             | \$               | 68,875        |
| <b>At December 31, 2024</b>      | <b>\$</b>        | <b>55,100</b> |

**7. EXPLORATION AND EVALUATION ASSETS**

**(a) Li Property**

On July 25, 2016 the Company purchased from Strategic Metals Ltd. (“Strategic”) a 100% interest in the Li Property, which is located in the North West Territories, subject to 2% net smelter returns (“NSR”) royalty to Strategic. The Company has the right to purchase one half of the NSR royalty (equal to 1%) in consideration for \$2,000,000.

**(b) Cloud Property**

On September 16, 2020, the Company signed an option agreement with W.S. Ferreira Ltd. (the “Vendor”) to acquire the Cloud Project in Manitoba, consisting of eight mining claims as well as an area of interest (the “Cloud Property”).

As consideration for the Cloud Property, the Company is required to issue a total of 200,000 common shares (issued), make cash payments of \$265,000, of which \$65,000 has been paid in prior years and the payment for the balance of \$200,000 has been extended to on or before December 31, 2024, and complete a work commitment of \$50,000 (completed). The breakdown of payments and issuance of common shares are follows:

The Vendor will retain a 2% NSR in the Property. The Company has the option to purchase 1% of the NSR for \$1,000,000. The Company paid a cash finders’ fee of \$13,250 in connection with the agreement.

During the year ended December 31, 2024, the Company has decided to write-off the property because the Company does not plan to continue to conduct exploration work on this property.

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**7. EXPLORATION AND EVALUATION ASSETS (continued)**

**(c) Quartz Property**

On January 6, 2021, the Company signed a purchase agreement with W.S. Ferreira Ltd. (the “Vendor”) to acquire a 100% interest in 2 claims near the southern shores in Reed Lake, Manitoba (the “Quartz Property”).

As consideration for the Quartz Property, the Company is required pay the Vendor \$50,000 in cash (not paid yet) and issuance of 10,000 shares (issued) for the Quartz claims, named Quartz 1 and Quartz 2, along with granting a 2% Gross overriding Royalty (“GOR”) of which 1% may be purchased for \$1 million. During the year ended December 31, 2021, the Company also spent \$28,600 staking cost around the Quartz Claims.

The Vendor has agreed to extend the payment of \$50,000 until December 31, 2024.

During the year ended December 31, 2024, the Company has decided to write-off the property because the Company does not plan to continue to conduct exploration work on this property

During the year ended December 31, 2024 and 2023, the Company incurred property acquisition costs as follows.

|  | <b>Cloud<br/>Property<br/>\$</b> | <b>Quartz<br/>Property<br/>\$</b> | <b>Total<br/>\$</b> |
|--|----------------------------------|-----------------------------------|---------------------|
| <b>Exploration and evaluation assets</b> |                                  |                                   |                     |
| Balance, December 31, 2023               | 375,750                          | 48,600                            | 424,350             |
| Acquisition costs                        | (375,750)                        | (48,600)                          | (424,350)           |
| <b>Balance, December 31, 2024</b>        | -                                | -                                 | -                   |

During the year ended December 31, 2024, the Company incurred exploration expenditures on the properties as follows:

|                                       | <b>Li<br/>Property<br/>\$</b> | <b>Quartz<br/>Property<br/>\$</b> | <b>Cloud<br/>Property<br/>\$</b> | <b>Total<br/>\$</b> |
|---------------------------------------|-------------------------------|-----------------------------------|----------------------------------|---------------------|
| <b>Exploration expenditures</b>       |                               |                                   |                                  |                     |
| Consulting                            | 636                           | -                                 | 11,104                           | 11,740              |
| Assays                                | 6,220                         | -                                 | -                                | 6,220               |
| Survey                                | 1,155                         | -                                 | -                                | 1,155               |
| Grant repayment                       | 163,200                       | -                                 | -                                | 163,200             |
| <b>Total exploration expenditures</b> | <b>171,211</b>                | <b>-</b>                          | <b>11,104</b>                    | <b>182,315</b>      |

**Lake Winn Resources Corp.**  
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**7. EXPLORATION AND EVALUATION ASSETS (continued)**

During the years ended December 31, 2023, the Company incurred exploration expenditures on the properties as follows:

|                                       | Li<br>Property<br>\$ | Quartz<br>Property<br>\$ | Cloud<br>Property<br>\$ | Total<br>\$    |
|---------------------------------------|----------------------|--------------------------|-------------------------|----------------|
| <b>Exploration expenditures</b>       |                      |                          |                         |                |
| Consulting                            | 263,605              | 225                      | 56,649                  | 320,479        |
| Travel                                | 18,571               | -                        | 7,715                   | 26,286         |
| Field                                 | 10,638               | -                        | -                       | 10,638         |
| Assays                                | 8,748                | -                        | -                       | 8,748          |
| Survey                                | 154,170              | -                        | -                       | 154,170        |
| Freight                               | 11,636               | -                        | -                       | 11,636         |
| Helicopter                            | 54,464               | -                        | -                       | 54,464         |
| Others                                | 22,396               | -                        | -                       | 22,396         |
| Staking                               | 14,260               | -                        | -                       | 14,260         |
| Fuel                                  | 2,385                | -                        | -                       | 2,385          |
| Grant                                 | (163,200)            | -                        | -                       | (163,200)      |
| <b>Total exploration expenditures</b> | <b>397,673</b>       | <b>225</b>               | <b>64,364</b>           | <b>462,262</b> |

**8. SHARE CAPITAL**

On October 21, 2024, the Company consolidated its common shares in the capital of the Company (the “Comon Share”) on the basis of ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share. The number of shares, warrants and options and per share amounts for the current and comparative figures have been adjusted accordingly to reflect this share consolidation.

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

(b) Issued and outstanding:

*For the year ended December 31, 2024*

- (i) On April 25, 2024, the Company raised \$33,750 by exercising of 45,000 options at \$0.75 per option. An amount of \$27,637 was transferred from reserves to share capital upon exercise of these options.
- (ii) On June 14, 2024, the Company closed private placement of 368,000 units of the Company at \$0.50 per unit for total gross proceeds of \$184,000. Each unit consists of one common share and one share purchase warrant at an exercise price of \$0.80 per common share within two years. The Company adopted the residual approach and has allocated \$110,000 proceeds to common shares with the residual amount of \$73,600 to the share purchase warrants.
- (iii) On July 30, 2024, the Company closed private placement of 120,000 units of the Company at \$0.50 per unit for total gross proceeds of \$60,000. Each unit consists of one common share and one share purchase warrant at an exercise price of \$0.80 per common share within two years. The Company adopted the residual approach and has allocated \$48,000 proceeds to common shares with the residual amount of \$12,600 to the share purchase warrants.
- (iv) On August 15, 2024, the Company issued 94,167 shares at a price of \$0.30 per shares for the services received. The transaction was approved by TSX.V.

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**8. SHARE CAPITAL (continued)**

*For the year ended December 31, 2024 (continued)*

- (v) On November 1, 2024, the Company issued 297,368 shares at a price of \$0.095 per shares for the services received. The transaction was approved by TSX.V.
- (vi) On December 27, 2024, the Company closed private placement of 1,250,000 units of the Company at \$0.08 per unit for total gross proceeds of \$100,000. Each unit consists of one common share and one share purchase warrant at an exercise price of \$0.11 per common share within two years. The Company adopted the residual approach and has allocated \$75,000 proceeds to common shares with the residual amount of \$25,000 to the share purchase warrants.
- (vii) The Company incurred legal fees of \$12,295 for the private placements completed during the year ended December 31, 2024.

*For the year ended December 31, 2023*

- (i) In February 2023, the Company closed private placement of 495,667 units of the Company at \$0.60 per unit for total gross proceeds of \$297,400 of which \$157,500 has been received during the year ended December 31, 2022. Each unit consists of one common share and one share purchase warrant at an exercise price of \$0.90 per common share within one year. The Company paid legal fees of \$9,701 and cash finders' fees of \$5,418. The Company has allocated the entire proceeds to common share and \$nil to the warrants by applying the residual approach.
- (ii) In May 2023, the Company closed a private placement by issuing 430,833 units at a price of \$0.60 per unit for total gross proceeds of \$258,500. Each unit consists of one common share and one share purchase warrant at an exercise price of \$0.90 per common share within one year from the date of issuance. The Company has allocated the entire proceeds to common share and \$nil to the warrants by applying the residual approach.

(c) Stock options

The Company has a stock option plan (the "Plan") for directors, officers, employees and consultants. The Plan provides for the issuance of stock options to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The Plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. Options granted to consultants performing investor relations activities vest over a period of time. The Company did not grant any options during the year ended December 31, 2024.

- (i) As at December 31, 2024, the Company had the following stock options outstanding and exercisable:

| <b>Number</b>  | <b>Exercise Price</b> | <b>Expiry Date</b> |
|----------------|-----------------------|--------------------|
| 165,000        | \$2.30                | November 24, 2025  |
| 80,000         | \$0.90                | December 30, 2025  |
| 20,000         | \$0.75                | May 26, 2025       |
| 210,000        | \$0.75                | May 26, 2028       |
| 100,000        | \$0.80                | June 29, 2025      |
| <b>575,000</b> |                       |                    |

**Lake Winn Resources Corp.**  
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**8. SHARE CAPITAL (continued)**

(c) Stock options (continued)

(ii) A summary of the status of the Company's stock options as at December 31, 2024 and 2023 and changes during those years are presented below:

|                                   | Options<br>Outstanding | Weighted<br>Average<br>Exercise Price | Weighted Average<br>Remaining<br>Contractual Life<br>Years |
|-----------------------------------|------------------------|---------------------------------------|--|
| Balance, December 31, 2022        | 278,500                | \$2.30                                | 2.75   |
| Granted                           | 375,000                | \$0.80                                | -  |
| Expired/Cancelled                 | (4,000)                | \$10.00                               | -  |
| Balance, December 31, 2023        | 649,500                | \$1.40                                | 2.76   |
| Granted                           | -                      | -                                     | -  |
| Exercised                         | (45,000)               | 0.75                                  | -  |
| Expired/Cancelled                 | (29,500)               | 4.24                                  | -  |
| <b>Balance, December 31, 2024</b> | <b>575,000</b>         | <b>\$ 1.22</b>                        | <b>1.74</b>  |

(d) Share purchase warrants

(i) As at December 31, 2024, the Company had warrants outstanding enabling holders to acquire the following:

| Number           | Exercise Price | Expiry Date       |
|------------------|----------------|-------------------|
| 368,000          | \$0.80         | June 14, 2026     |
| 120,000          | \$0.80         | July 30, 2026     |
| 1,250,000        | \$0.11         | December 27, 2026 |
| <b>1,738,000</b> |                |                   |

(ii) A summary of the Company's issued and outstanding share purchase warrants as at December 31, 2024 and 2023 and changes during those periods are presented below:

|                                   | Options<br>Outstanding | Weighted Average<br>Exercise Price | Weighted Average<br>Remaining<br>Contractual Life - Years |
|-----------------------------------|------------------------|------------------------------------|---|
| <b>Balance, December 31, 2022</b> | <b>2,704,831</b>       | <b>\$1.20</b>                      | <b>0.94</b>   |
| Issued                            | 926,500                | \$0.90                             | -   |
| Expired                           | (2,704,831)            | \$1.20                             | -   |
| Balance, December 31, 2023        | 926,500                | \$0.90                             | 0.22  |
| Issued                            | 1,738,000              | \$0.30                             | -   |
| Expired                           | (926,500)              | \$0.90                             | -   |
| <b>Balance, December 31, 2024</b> | <b>1,738,000</b>       | <b>\$0.30</b>                      | <b>1.85</b>   |

**Lake Winn Resources Corp.**  
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**9. RELATED PARTY TRANSACTIONS**

All related party transactions are in the normal course of operations and have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below.

- (a) During the year ended December 31, 2024, the Company incurred management fees of \$120,000 (2023 - \$132,000). \$120,000 was paid to a company controlled by the chief executive officer (“CEO”) who is also a director of the Company.
- (b) During the year ended December 31, 2024, the Company incurred consulting fees of \$63,000 (2023 - \$32,000) to a company controlled by a director of the Company.
- (c) During the year ended December 31, 2024, the Company recorded rent expense recovery of \$25,931 (2023 - \$26,252) from a company related to the Company by common management pertaining to rent paid by the Company for shared office premises.
- (d) During the year ended December 31, 2024, the Company incurred accounting fees of \$60,000 (2023 - \$60,000) to a company controlled by the CFO who is also a director of the Company.
- (e) During the year ended December 31, 2024, the Company incurred exploration consulting fees of \$nil (2023 - \$35,700) to a company controlled by a director of the Company.
- (f) As at December 31, 2024, accounts receivable included \$44,791 (December 31, 2023 - \$27,565) pertaining to rent due from a company related to the Company by common management for shared office premises.
- (g) As at December 31, 2024, due to related parties in the amount \$216,818 (December 31, 2023 - \$202,231) are owing to directors and officers of the Company and its subsidiaries, and companies controlled by them. Of which \$30,000 (December 31, 2023 - \$30,000) represents a loan from a director bearing an interest rate of 12% compounded daily. The remaining balance of due to the related party is non-interest bearing. All the related party balance is due on demand.
- (g) As at December 31, 2024, included in the other payables, \$33,194 (December 31, 2023 - \$28,000) was from the CEO of Gold Winn.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and Board of Director members and compensations to the key managements are disclosed above. Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the years ended December 31, 2024 and 2023.

**10. LOAN PAYABLE**

During the year ending December 31, 2024, the Company received \$70,000 demand loan from various parties. \$20,000 is due on demand without having any interest charge. The terms for \$50,000 demand loans are following:

\$5,000 interest is due on January 31, 2025 and thereafter \$2,000 per month. The Company will also issue 100,000 shares at \$0.08.

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**11. OTHER PAYABLES**

As at the year ended December 31, 2024, the Company a balance of \$134,250 and accrual of interest \$15,432 (December 31, 2023 - \$94,250) advanced from investors to subscribe total 5,370,000 special warrants of Gold Winn at \$0.025 per special warrant. These special warrants will automatically convert without the payment of any additional consideration upon the completion of Gold Winn spinout. During the year ended December 31, 2024, the Company decided not to spin out Gold Winn, therefore these advances became demand loans bearing an interest of 10% compounded annually.

**12. SUPPLEMENTAL CASH FLOW INFORMATION**

The following significant non-cash transactions have been excluded from the statements of cash flows:

During the year ended December 31, 2024:

Issued 94,167 shares for service at a price of \$0.30. (Note 8 (iv))

Issued 297,368 shares for services at a price of \$0.095. (Note 8 (v))

There are no non-cash transactions during the year ended December 31, 2023.

**13. INCOME TAX**

A reconciliation of income taxes at the statutory rate with the reported taxes follows:

|  | 2024         | 2023         |
|--|--------------|--------------|
| Loss for the year  | \$ 1,444,592 | \$ 1,428,306 |
| Expected income tax recovery at statutory rate of 27%    | (390,000)    | (377,000)    |
| Permanent differences                                    | 8,000        | 72,000       |
| Share issuance cost                                      | (3,000)      | (4,000)      |
| Changes in estimates of prior years                      | 1,000        | (246,000)    |
| Changes in unrecognized deductible temporary differences | 384,000      | 555,000      |
|  | \$ -         | \$ -         |

The significant components of the Company's deferred tax assets which are not recognized are comprised following:

|                                       | December 31,<br>2024 | December 31,<br>2023 |
|---------------------------------------|----------------------|----------------------|
| <u>Deferred tax assts</u>             |                      |                      |
| Tax losses available for future years | \$ 2,618,000         | \$ 2,380,000         |
| Capital losses                        | 235,000              | 235,000              |
| Exploration and evaluation assets     | 1,246,000            | 1,083,000            |
| Share issuance costs and other        | 6,000                | 23,000               |
| Net deferred tax assets               | \$ 4,105,000         | \$ 3,721,000         |

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.

As at December 31, 2024, the Company has non-capital losses of approximately \$9,697,000 available to offset with the future taxable income in Canada expiring in various dates from 2030 to 2044.

**Lake Winn Resources Corp.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

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**14. SEGMENTED INFORMATION**

The Company primarily operates in one reportable operating segment, being the acquisition and development of exploration and evaluation assets in Canada.

**15. COMPARATIVE NUMBERS**

Certain comparative numbers have been reclassified to conform to current year's presentation.

**16. SUBSEQUENT EVENT**

On February 4, 2025, the Company issued 470,000 common shares for services at a price of \$0.06 per share.