

AURUM LAKE MINING CORPORATION
FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

TABLE OF CONTENTS

	<u>PAGE</u>
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS	5
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	6
STATEMENTS OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS.....	8-20

To the Shareholders of Aurum Lake Mining Corporation:

Opinion

We have audited the financial statements of Aurum Lake Mining Corporation (the "Company"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of loss and other comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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 financial statements, which indicates that the Company has not yet achieved profit and incurred a net loss during the year ended December 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

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

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

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

Vancouver, British Columbia

April 25, 2025

MNP LLP

Chartered Professional Accountants

AURUM LAKE MINING CORPORATION

Statements of Financial Position As at December 31, 2024 and 2023 (Expressed in Canadian dollars)

	Notes	2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		702,504	2,229,431
HST receivable		103,070	43,036
Prepaid expenses		10,035	100,000
		815,609	2,372,467
Mineral exploration and evaluation	6	325,461	-
Prepaid expenses	6	-	44,148
		1,141,070	2,416,615
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		34,345	275,211
Shareholders' equity			
Common shares	7(a)	2,943,699	2,831,725
Warrants	7(b)	53,379	68,369
Reserves	7(c)	116,214	148,948
(Deficit)		(2,006,567)	(907,638)
		1,106,725	2,141,404
		1,141,070	2,416,615

Nature of operations and going concern (Note 1)

Commitments (Note 12)

Event after the reporting period (Note 13)

Approved on behalf of the Board

"Harry Tian", Director

"Patrick Sapphire", Director

See accompanying notes to the financial statements.

AURUM LAKE MINING CORPORATION

Statements of Loss and Comprehensive Loss

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

	2024	2023
	\$	\$
Bank charges	1,555	1,618
Business development	132,721	177,257
Consulting fees	9 403,573	-
Filing and transfer agent expenses	34,397	28,041
Insurance	24,084	-
Occupancy and office expenses	45,831	50
Professional fees	420,849	257,842
Promotion expenses	122,500	-
Loss from operations	1,185,510	464,808
Interest income	62,581	19,829
Other income	7(a) 24,000	-
Net loss and comprehensive loss	1,098,929	444,979
Net loss per share - basic and diluted	0.05	0.03
Weighted average number of shares outstanding		
Basic and diluted	22,207,993	16,858,904

See accompanying notes to the financial statements.

AURUM LAKE MINING CORPORATION

Statements of Changes in Equity
 For the years ended December 31, 2024 and 2023
 (Expressed in Canadian dollars)

	Notes	Common shares		Warrants	Reserves	Deficit	Total shareholders' equity
		Number	Amount				
			\$	\$	\$	\$	\$
Balance at December 31, 2022		16,500,000	888,139	14,990	148,948	(462,659)	589,418
Shares issued for cash	7(a)	5,240,000	2,096,000	-	-	-	2,096,000
Share issue costs	7(a)	-	(99,035)	-	-	-	(99,035)
Finders warrants	7(b)	-	(53,379)	53,379	-	-	-
Net loss		-	-	-	-	(444,979)	(444,979)
Balance at December 31, 2023		21,740,000	2,831,725	68,369	148,948	(907,638)	2,141,404
Shares issued on exercise of options	7(a)	362,500	68,984	-	(32,734)	-	36,250
Shares issued on exercise of warrants	7(b)	280,000	42,990	(14,990)	-	-	28,000
Net loss		-	-	-	-	(1,098,929)	(1,098,929)
Balance at December 31, 2024		22,382,500	2,943,699	53,379	116,214	(2,006,567)	1,106,725

See accompanying notes to the financial statements.

AURUM LAKE MINING CORPORATION

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

	Notes	2024	2023
		\$	\$
Operating activities			
Net loss		(1,098,929)	(444,979)
Changes in non-cash working capital			
HST receivables		(60,034)	(43,036)
Prepaid expenses		89,965	(124,148)
Accounts payable and accrued liabilities		(240,866)	138,976
		(1,309,864)	(473,187)
Investing activities			
Cash paid for mineral exploration and evaluation	6	(281,313)	-
Cash used in investing activities		(281,313)	-
Financing activities			
Proceeds from share issuance	7	-	2,096,000
Proceeds from exercise of options	7	36,250	-
Proceeds from exercise of warrants	7	28,000	-
Share issue costs	7	-	(99,035)
Cash provided by financing activities		64,250	1,996,965
(Decrease) increase in cash and cash equivalents		(1,526,927)	1,523,778
Cash and cash equivalents, beginning of year		2,229,431	705,653
Cash and cash equivalents, end of year		702,504	2,229,431
Supplemental cash flow information			
Prepaid expenses reclassified to exploration and evaluation assets		(44,148)	-

See accompanying notes to the financial statements.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

1. Nature of operations and going concern

Aurum Lake Mining Corporation (“Aurum” or the “Company”) was incorporated under the Business Corporations Act of British Columbia, Canada on June 2, 2021. On April 25, 2024 it has completed its continuation from British Columbia into the jurisdiction of the Cayman Islands. The Company’s head office is 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. Its registered and records office in Cayman Islands is at Floor 2, Willow House, Cricket Square, PO Box 709, Grand Cayman KY1-1107, Cayman Islands.

The Company was incorporated for the purpose to be a Capital Pool Company (“CPC”) as per the policy 2.4 of the TSX Venture Exchange (the “Exchange”) with a view to complete a Qualifying Transaction. On January 12, 2024, it completed a Qualifying Transaction (See Note 6) and its shares are traded on the Toronto Stock Exchange Venture with a symbol “ARL”. Its main business is mineral properties exploration and evaluation.

These financial statements have been prepared on a going concern basis in accordance with IFRS® Accounting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not yet achieved profit and incurred a net loss of \$1,098,929 for the year ended December 31, 2024 (2023 - \$444,979).

The ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain equity financing, or to ultimately attain profitable operations in the future. Whether and when the Company can attain profitability and positive cash flows is uncertain.

These financial statements do not include adjustments that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, and the reported net loss and comprehensive loss and classifications used on the statement of financial position. These adjustments could be material.

2. Basis of presentation and going concern

Statement of compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”) in effect on December 31, 2024. The Board of Directors approved these financial statements on April 25, 2025. The material accounting policies applied by the Company are described in Note 3 herein.

Basis of measurement

These financial statements are presented using, and have been prepared on, a going concern basis under the historical cost convention except for certain financial instruments that are measured at fair value. These financial statements are presented on the accrual basis except for the statement of cash flows.

Functional and presentation currency

These financial statements are presented in Canadian Dollars (“CAD”), which is the functional currency of the Company.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

3. Material accounting policies

The Company's accounting policies set out below are in accordance with IFRS Accounting Standards and have been applied consistently throughout the period presented in these financial statements, unless otherwise stated.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position include cash and investments with an original maturity of three months or less, held with financial institutions and cash held in trust which are subject to an insignificant risk of changes in value, and gurantee investment certificates that are cashable and redeemable at any time. The fair value of cash and cash equivalents approximate their current carrying amounts since all such items are short-term in nature.

Mineral exploration and evaluation expenditures

i) Pre-exploration costs

Pre-exploration costs are expensed in the year in which they are incurred. Pre-exploration costs are those incurred prior to obtaining the legal right to explore.

ii) Exploration and evaluation expenses

Once the legal right to exploration a property has been acquired, costs directly related to exploration and evaluation ("E&E") expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the year in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain E&E expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the transfer on its behalf. Any consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

iii) Developed and producing properties

Once technical feasibility and commercial viability of extracting the mineral resource have been determined, the property is considered to be a mine under development and is classified as property, plant and equipment. Once commercial production has commenced, these costs are amortized using the units-of-production method based on proven and probable reserves. Production facilities and equipment are stated at cost and are depreciated using the units-of-production method at rates sufficient to depreciate the assets over their estimate useful lives, not to exceed the life of the mine to which the assets relate.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

3. Material accounting policies (Continued)

Impairment of non-financial assets

The Company assesses the carrying amount of non-financial assets including property, plant and equipment and exploration and evaluation assets at each reporting date to determine whether there is any indication of impairment or impairment reversal. Internal factors, such as budgets and forecasts, as well as external factors, such as expected future prices, costs and other market factors are also monitored to determine if indications exist.

An impairment loss is the amount equal to the excess of the carrying amount over the recoverable amount. The recoverable amount is the higher of value in use (being the net present value of expected pre-tax future cash flows of the relevant asset) and fair value less costs of disposal of the asset. The best evidence of fair value is a quoted price in an active market or a binding sale agreement for the same or similar asset. Where neither exists, fair value is based on the best information available to estimate the amount the Company could obtain from the sale of the asset in an arm's length transaction. This is often accomplished by using a discounted cash flow technique.

Impairment is assessed at the cash-generating unit ("CGU") level. A CGU is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or group of assets. The assets of the corporate head office are allocated on a reasonable and consistent basis to CGUs or groups of CGUs. The carrying amounts of assets of the corporate head office that have not been allocated to a CGU are compared to their recoverable amounts to determine if there is any impairment loss.

If, after the Company has previously recognized an impairment loss, circumstances indicate that the fair value of the impaired assets is greater than the carrying amount, the Company reverses the impairment loss by the amount the revised fair value exceeds its carrying amount, to a maximum of the previous impairment loss. In no case shall the revised carrying amount exceed the original carrying amount, after depreciation or amortization, that would have been determined if no impairment loss had been recognized. An impairment loss or a reversal of an impairment loss is recognized in the consolidated statements of loss and comprehensive loss.

Rehabilitation provisions

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral evaluation and exploration assets. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located. When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in exploration or development of mineral exploration and exploration assets.

Share capital

Share capital is presented at the value of the shares issued. Costs related to the issuance of shares are reported in equity, net of tax, as a deduction from the issuance proceeds.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

3. Material accounting policies (Continued)

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors and officers of the Company. The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Share-based payments to non-employees are measured at the fair value of the 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 and services are received.

Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The diluted earnings (loss) per share calculation excludes any potential conversion of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

Flow-through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company.

The Company may enter into flow-through share agreements whereby the Company agrees to transfer the rights to income tax deductions related to exploration expenditures to the flow-through shareholders. The premium, if any, paid for flow-through shares in excess of the market value of the shares without the flow-through features at the time of issuance is excluded from share capital and recorded as a flow-through share premium liability on the statement of financial position. The Company reduces its flow-through share premium on renunciation.

When the Company fulfills its obligation to pass on the tax deduction to the shareholders, the amount recorded as un-renounced flow-through share premium is recognized as other income in the consolidated statement of loss. A deferred tax liability is recognized for the temporary difference. If the renouncement is prospective, the obligation is fulfilled when the eligible expenditures are incurred. If the renouncement is retrospective, the obligation is fulfilled when the paperwork to renounce is filed.

Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is computed on the basis of taxable income, using tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

3. Material accounting policies (Continued)

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the years in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Fair value measurements

The Company measures fair value in accordance with IFRS 13, Fair Value Measurement, which provides a single source of fair value measurement guidance. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company has applied the framework for measuring fair value, which requires a fair value hierarchy to be applied to all fair value measurements.

All financial instruments recognized at fair value in the statement of financial position are classified into one of three levels in the fair value hierarchy as follows:

Level 1 — valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 — valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived from or corroborated by observable market data by correlation or other means.

Level 3 — valuation techniques with significant unobservable market inputs.

The carrying value of the Company's cash and cash equivalents and accounts payable and accrued liabilities approximates the fair value due to the short term to maturity.

Financial instruments

Initial recognition and measurement

The Company aggregates its financial assets in accordance with IFRS 9, Financial Instruments, into classes at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows. Non-derivative financial assets are classified and measured as fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost, as appropriate. In these financial statements, cash is measured at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities which are measured at amortized cost.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

3. Material accounting policies (Continued)

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

Subsequent measurement – Financial instruments at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the effective interest rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition

The financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Financial liabilities are derecognized when its contractual obligations are discharged, cancelled or expire.

4. Significant accounting judgements and estimates

The preparation of these financial statements requires the Company to make judgements in applying its accounting policies and estimates and assumptions about the future. These judgements, estimates and assumptions affect the Company’s reported amounts of assets, liabilities, and items in net loss, and the related disclosure of contingent assets and liabilities, if any. Such estimates are based on various assumptions that the Company believes are reasonable under the circumstances, and these estimates form the basis for making judgements about the carrying value of assets and liabilities and the reported amount of items in net loss that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, and actual results may differ from these estimates under different assumptions or conditions. Set out below are the most significant accounting judgements, estimates and assumptions that the Company has made in the preparation of these financial statements.

Significant areas of judgement considered by management in preparing the financial statements are as follows:

Going Concern

Management has applied judgements in the assessment of the Company’s ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2024. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Please refer to note 1 for additional information.

Significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

4. Significant accounting judgements and estimates (Continued)

Exploration and exploration expenditures

The Company makes certain estimates regarding the recoverability of the carrying values of exploration and evaluation assets. These assumptions are changed when conditions exist that indicate the carrying value may be impaired, at which time an impairment loss is recorded. While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Income and other taxes

The calculation of current and deferred income taxes requires the Company to make estimates and assumptions and to exercise judgement regarding the carrying values of assets and liabilities which are subject to accounting estimates inherent in those balances, the interpretation of income tax legislation across various jurisdictions, expectations about future operating results, the timing of reversal of temporary differences and possible audits of income tax filings by the tax authorities. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Changes or differences in underlying estimates or assumptions may result in changes to the current or deferred income tax balances on the statement of financial position, a charge or credit to income tax expense included as part of net income (loss) and may result in cash payments or receipts. Judgement includes consideration of the Company's future cash requirements in its tax jurisdictions.

All income, capital and commodity tax filings are subject to audits and reassessments. Changes in interpretations or judgements may result in a change in the Company's income, capital or commodity tax provisions in the future. The amount of such a change cannot be reasonably estimated.

Share-based payments

The determination of the value of share-based payments requires the Company to make estimates and assumptions on the value of the services received, or the value of the equity instruments on the granting date.

The estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

5. Recently issued accounting pronouncements

Change in IFRS effective for the first time

Certain pronouncements have been issued by the IASB that are effective for annual periods beginning on or after January 1, 2024.

In January 2020 and October 2022, the International Accounting Standards Board (IASB) issued amendments to IAS 1 Presentation of Financial Statements which were incorporated into Part I of the CPA Canada Handbook – Accounting in April 2020 and December 2022, respectively. The amendments clarify the requirements for classifying liabilities as either current or non-current. Both the January 2020 and October 2022 amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The Company has assessed the amendments and determined that there is no material impact on the accounting and presentation of the consolidated financial statements.

Future accounting pronouncements

Certain pronouncements have been issued by the IASB that are effective for accounting periods beginning on or after January 1, 2025.

In May 2024, the International Accounting Standards Board (IASB) issued narrow scope amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments provide clarification that a financial liability is derecognized on the 'settlement date', provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met, clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets, Clarify the characteristics of the contractually linked instruments that distinguish them from other transactions, and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendments are to be applied retrospectively.

The International Accounting Standards Board (IASB) published IFRS 18 Presentation and Disclosure in Financial Statements in April 2024 and will replace IAS 1. This new standard will help companies to provide information about their financial performance that is useful to users of financial statements in assessing the prospects for future net cash inflows to the company and in assessing management's stewardship of the company's economic resources. It represents the completion of a major standard-setting project on the presentation of financial statements and, therefore, will have significant implications for many companies reporting under IFRS. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, and is to be applied retrospectively for comparative periods.

The Company is currently assessing the impact of such pronouncements on the consolidated financial statements.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

6. Mineral exploration and evaluation assets

Homathko Gold Project

The Company entered into an agreement dated December 19, 2022 (the "Option Agreement") with Transition Metals Corp. (the "Optionor"). Pursuant to the Option Agreement, the Optionor has granted the exclusive right and option (the "Option") to the Company to acquire a 100% interest of the Optionor's rights to certain mineral claims known as the Homathko Gold Project, located in the Province of British Columbia (the "Property").

Pursuant to the Option Agreement, the Optionor will retain a net smelter royalty of 2.0% on all mineral production on the Property and the Option is also subject to an underlying net smelter royalty of 1.0% to Nova Royalty Corp. In consideration of the grant of the Option, the Company will pay a total of \$470,000 to the Optionor in cash payments per the schedule listed below, incur work program expenditures on the Property totaling \$500,000 over two years, and make a one-time \$5,000,000 lump sum payment to the Optionor upon the commencement of commercial production, in addition to making such payments as necessary to keep the Property in good standing during the term of the Option.

Under the terms of the Option Agreement, the cash payments to be made were as follows: (i) \$20,000 on signing (paid); (ii) an additional \$100,000 three days following the date the Option Agreement is accepted for filing by the Exchange (the "Effective Date") (paid); (iii) an additional \$150,000 on the first anniversary of the Effective Date (See Note 13); and (iv) an additional \$200,000 on the second anniversary of the Effective Date. The work program expenditures will be made in accordance with the following schedule: (i) \$100,000 by the first anniversary of the Effective Date; and(ii) a cumulative total of \$500,000 by the second anniversary of the Effective Date.

On March 6, 2025 the Option Agreement was amended and the \$150,000 cash payment on the first anniversary of the Effective Date (January 13, 2024) was replaced by a cash payment of \$37,500 and the issuance of 300,000 common shares of the Company (the "First Tranche Payment Shares") on or prior to March 14, 2025 (paid and issued, see Note 13), and a cash payment of \$37,500 and the issuance of 300,000 common shares of the Company (the "Second Tranche Payment Shares") on or prior to July 10, 2025. The shares issued are under a lock-up period of one year from the date of issuance. The acquisition is a Qualifying Transaction as per the Exchange policies and was closed on January 12, 2024. As of December 31, 2024, the Company has incurred \$325,461 (2023 - \$nil) expenditures on the Homathko Gold Project of which \$44,148 was recorded as prepaid expenses as of December 31, 2023.

7. (a) Share capital

Authorized: Unlimited common shares at no par value.

Issued and outstanding:

As at December 31, 2024, the Company had 22,382,500 (2023 – 21,740,000) common shares issued and outstanding.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

7. (a) Share capital (Continued)

In connection with the completion of its proposed qualifying transaction (see Note 6), on December 6, 2023, the Company completed a non-brokered private placement (the "Concurrent Financing") of 5,000,000 common shares (the "Common Shares") at a price of \$0.40 per Common Share and 240,000 common shares, which were designated as a flow-through shares ("FT Shares") pursuant to the Income Tax Act (Canada), at a price of \$0.50 per FT Share for aggregate proceeds of \$2,120,000. In connection with the Concurrent Financing, the Company paid aggregate fees to certain arm's length finders in the amount of \$99,035 and issued common share purchase warrants ("Finder's Warrants") to purchase 247,500 Common Shares at a price of \$0.40 per Common Share for a period of 24 months from the date of issuance of the respective Finder's Warrant. The Company recorded \$24,000 flow through premium that is included in the accounts payable and accrued liabilities. There was no qualified exploration expenditure occurred as of December 31, 2023. In the year ended December 31, 2024 the Company renounced under a Look-back Rule the exploration expenses to flow through shareholders and recorded \$24,000 other income on derecognizing the flow through premium.

On January 23, 2024, a former director of the Company exercised 362,500 options at price of \$0.10 per share for 362,500 common shares of the Company. \$68,984 was recorded as share capital which includes \$32,734 grant date value and \$36,250 cash.

On July 10, 2024, 280,000 Agents Warrants were exercised into 280,000 common shares at \$0.10 per share. \$42,990 was recorded as share capital for the 280,000 shares, including \$14,990 the grant date value and \$28,000 cash.

The Company's directors and officers have signed an escrow agreement and have placed 13,000,000 common shares into escrow. It will be released from escrow in stages over a period of 18 months from the date of the Final Qualifying Transaction Exchange Bulletin. As at December 31, 2024, there are 6,500,000 (2023 – 13,000,000) common shares held in escrow.

See Note 13.

(b) Warrants

Warrants	Number of Warrants	Weighted Average Exercise Price (C\$)	Weighted Average Remaining Contractual Life (years)
Balance December 31, 2022	280,000	0.10	1.55
Issued	247,500	0.40	2.00
Balance December 31, 2023	527,500	0.24	1.20
Exercised	(280,000)	0.10	-
Balance December 31, 2024	247,500	0.40	0.93

On December 6, 2023, on the closing of the private placement as described in the Note 7(a), the Company issued 247,500 Finder's Warrants. Each Finder's Warrant entitles the Holder to subscribe for one common share of the Company at an exercise price of \$0.40 per share before December 6, 2025. The value of the Finder's Warrants is determined to be \$53,379 using a Black Scholes model with the following assumptions: 0% dividend, risk free rate of 3.91%, expected life of 2 years, and stock price volatility of 100%.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

7. (c) Options

Options	Number of Options	Weighted Average Exercise Price (C\$)	Weighted Average Remaining Contractual Life (years)
Balance December 31, 2023 and 2022	1,650,000	0.10	8.75
Exercised	(362,500)	0.10	-
Balance December 31, 2024	1,287,500	0.10	7.73

As at December 31, 2024, there were 1,287,500 options outstanding that were exercisable at \$0.10 per share before September 26, 2032.

8. Income taxes

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 27% is as follows:

	2024	2023
Loss before income taxes	\$(1,098,927)	\$(444,979)
Statutory tax rate	27%	27%
Expected income tax (recovery)	(296,710)	(120,144)
Non-deductible	1,781	30,213
Flow-through share	25,920	-
Share issuance cost	-	(26,739)
Change in deferred tax assets not recognized	269,009	116,671
Income tax expense	-	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values.

The unrecognized deductible temporary differences as at December 31, 2024 and 2023 are comprised of the following:

	2024	2023
Financing costs	97,181	136,362
Non-capital losses	1,753,770	718,259
	1,850,951	854,621

The Company has non-capital loss carryforwards of approximately \$1,753,770 (2023 - \$718,259) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring as follows:

Expiry	Total
2042	159,009
2043	439,249
2044	1,155,512
Total	1,753,770

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

9. Related party transactions

All transactions with related parties have occurred in the normal course of operations and measured at exchanged amount.

In December 2023, the Company prepaid two of its officers and consultants who were proposed directors on the Closing of QT in total of \$100,000 for services to be provided in the year ending December 31, 2024. In the year ended December 31, 2024, \$332,900 (2023 - \$nil) consulting fees were charged by two companies controlled by two directors of the Company. \$45,000 (2023 - \$18,000) professional fees were charged by a company controlled by the Company's CFO.

On January 23, 2024, a former director of the Company exercised 362,500 options at an exercise price of \$0.10 per share for 362,500 common shares of the Company.

10. Financial risk management

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established a risk management strategy, which incorporates development and monitoring of the Company's risk management activities. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The Company's approach to risk management is assessed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash. The Company's maximum exposure to this risk is equal to the carrying amount of these financial asset. The cash is held with a financial institution which is highly rated. The Company has assessed an insignificant loss allowance on these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have access to sufficient liquid assets to meet its current liabilities when they are due, under both normal and stressed conditions, without incurring excessive losses. Further, the Company's management is responsible for ensuring funds exist and are readily accessible to support business opportunities as they arise. The Company is exposed to this risk on its accounts payable and accrued liabilities.

AURUM LAKE MINING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023
(In Canadian Dollars, except share and per share amounts, unless otherwise noted)

11. Capital management

The Company's objectives when managing its capital are to maintain a sufficient capital base to: (i) meet its short-term obligations, (ii) sustain future operations and expansions, (iii) ensure its ability to continue as a going concern, and (iv) retain stakeholder confidence and value. The Company defines capital as its net assets, total assets less total liabilities. The company is not subject to any externally imposed capital requirements. As at December 31, 2024, the Company managed net asset of \$1,106,725 (2023 - \$2,141,404).

12. Commitment

See Note 6.

13. Event after the reporting period

On March 6, 2025, the Option Agreement with Transition Metals Corp. was amended whereby a cash payment of \$37,500 and the issuance of 300,000 common shares of the Company (the "First Tranche Payment Shares") is due on or prior to March 14, 2025. The cash was paid and the common shares were issued subsequently, the shares issued are under a lock-up period of one year from the date of issuance.