



(An Exploration Stage Corporation)
FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

For the years ended
December 31, 2024 and 2023

Independent Auditor's Report

To the Shareholders of Omineca Mining and Metals Ltd.

Opinion

We have audited the financial statements of Omineca Mining and Metals Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023 and the statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

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 audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the 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 to the financial statements which describes the material uncertainty 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 year ended December 31, 2024. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. 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.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 6 to the financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Company. Refer to Note 2 and Note 3 to the financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include: (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditures 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 commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. Impairment indicators were identified by management on the Mouse Mountain cash generating unit ("CGU") as the Company does not have any planned or budgeted expenditures for this CGU as at December 31, 2024. Accordingly, the Company recorded an impairment charge of \$509,335 to reduce the carrying value to its estimated recoverable amount. No impairment indicators were identified on the Wingdam and Fraser Canyon CGUs nor were facts and circumstances identified that support the reversal of impairment charges on other previously impaired CGUs.

Why the matter was determined to be a key audit matter

We considered this a key audit matter due to: (i) the significance of the mining claims and deferred exploration costs carrying values; and (ii) the judgments made by management in its assessment of indicators of impairment, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support: (i) the right to explore the area; and (ii) claim expiration dates;
- Assessing compliance with option agreements by reviewing the underlying terms and conditions;
- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;
- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and
- Assessing the adequacy of the related disclosures in Note 2, Note 3 and Note 6 to the financial statements.

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 audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information 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 in this auditor's report. 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Todd Freer.

Crowe Mackay LLP

**Chartered Professional Accountants
Calgary, Canada
April 30, 2025**

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at December 31	2024	2023
Assets		
Current		
Cash and cash equivalents	\$ 2,279,005	\$ 1,296,858
Accounts receivable (Note 11)	184,745	105,318
Prepaid expense	72,105	71,343
Investments (Note 4)	8,129	5,740
	<u>2,543,984</u>	<u>1,479,259</u>
Reclamation bonds (Note 12)	100,000	100,000
Property and equipment (Note 5)	148,361	203,045
Exploration and evaluation assets (Note 6)	18,228,830	15,438,523
	<u>\$ 21,021,175</u>	<u>\$ 17,220,827</u>
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 2,675,106	\$ 799,503
Flow-through premium liability (Note 12)	218,182	-
	<u>2,893,288</u>	<u>799,503</u>
Decommissioning provision (Note 12)	65,000	65,000
Debenture payable (Note 7)	10,800,620	9,985,190
	<u>13,758,908</u>	<u>10,849,693</u>
Shareholders' equity		
Share capital (Note 8)	33,072,714	29,608,845
Equity component of convertible debenture (Note 7)	1,234,733	1,234,733
Contributed surplus (Note 8)	3,450,462	3,375,982
Deficit	(30,495,642)	(27,848,426)
	<u>7,262,267</u>	<u>6,371,134</u>
	<u>\$ 21,021,175</u>	<u>\$ 17,220,827</u>

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 12)
Subsequent events (Note 16)

Approved on behalf of the Board:

"Tom MacNeill" Director
Mr. Tom MacNeill (Signed)

"Andrew Davidson" Director
Mr. Andrew Davidson (Signed)

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

For the years ended December 31	2024	2023
Operating Expenses		
Administration costs (Note 11 and 12)	\$ 732,543	\$ 598,480
Accretion expense (Note 7)	159,801	141,986
Professional fees	101,131	68,965
Public company costs	39,472	35,545
Trade shows, travel and promotion	142,312	171,057
Net loss from operating expenses	1,175,259	1,016,033
Share-based payments (Notes 8 and 11)	-	269,500
Net loss before other items	(1,175,259)	(1,285,533)
Other items		
Interest income	-	11,084
Unrealized gain (loss) on investments (Note 4)	18,292	(4,658)
Realized loss on investments (Note 4)	(10,122)	-
Impairment of receivables (Note 13)	(115,163)	-
Impairment of exploration and evaluation asset (Note 6)	(509,335)	-
Interest expense (Note 7)	(855,629)	(821,581)
Net and Comprehensive Loss for the year	\$(2,647,216)	\$(2,100,688)
Loss per share – basic and diluted (Note 10)	\$(0.01)	\$(0.01)
Weighted average number of shares outstanding – basic and diluted (Note 10)	183,976,130	170,422,632

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share Shares	Capital Amount	Equity component of convertible debenture	Contributed surplus Share-based payments	Warrant reserve	Deficit	Total
Balance, December 31, 2022	145,961,900	\$26,733,624	\$1,234,733	\$2,945,652	\$13,550	\$(25,747,738)	\$5,179,821
Share issuance – private placements	29,272,675	3,219,994	-	-	-	-	3,219,994
Share issue costs	-	(337,493)	-	-	-	-	(337,493)
Share issuance – stock options exercised	2,800,000	266,000	-	(126,000)	-	-	140,000
Agent options	-	(273,280)	-	273,280	-	-	-
Share-based payments	-	-	-	269,500	-	-	269,500
Comprehensive Loss for the year	-	-	-	-	-	(2,100,688)	(2,100,688)
Balance, December 31, 2023	178,034,575	\$29,608,845	\$1,234,733	\$3,362,432	\$13,550	\$(27,848,426)	\$6,371,134
Share issuance – private placements and rights offering	81,719,743	3,923,335	-	-	-	-	3,923,335
Share issue costs	-	(328,304)	-	-	-	-	(328,304)
Share issuance – stock options exercised	2,050,000	315,950	-	(154,450)	-	-	161,500
Flow through premium allocation	-	(218,182)	-	-	-	-	(218,182)
Agent options	-	(228,930)	-	228,930	-	-	-
Comprehensive Loss for the year	-	-	-	-	-	(2,647,216)	(2,647,216)
Balance, December 31, 2024	261,804,318	\$33,072,714	\$1,234,733	\$3,436,912	\$13,550	\$(30,495,642)	\$7,262,267

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

OMINECA MINING AND METALS LTD.
(An Exploration Stage Corporation)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the years ended December 31	2024	2023
Cash flows used in operating activities		
Comprehensive Loss for the year	\$ (2,647,216)	\$ (2,100,688)
Adjustment for:		
Accretion expense	159,801	141,986
Interest expense	855,629	821,581
Unrealized (gain) loss on investments	(18,292)	4,658
Realized loss on investments	10,122	-
Write down of receivable	115,163	-
Write down of exploration and evaluation asset	509,335	-
Share-based payments	-	269,500
	<u>(1,015,458)</u>	<u>(862,963)</u>
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	(194,590)	192,340
Increase in prepaid expense	(762)	(182)
Increase in accounts payable and accrued liabilities	92,550	65,442
	<u>(1,118,260)</u>	<u>(605,363)</u>
Cash flows used in investing activities		
Proceeds on sale of investments	5,781	-
Purchase of property and equipment	(5,250)	(43,862)
Exploration and evaluation expenditures, net of tax credit	(1,456,655)	(840,855)
	<u>(1,456,124)</u>	<u>(884,717)</u>
Cash flows from financing activities		
Proceeds from shares issued – private placements	3,923,335	3,219,994
Proceeds from shares issued – stock options exercised	161,500	140,000
Share issue costs	(328,304)	(337,493)
Payment on debentures	(200,000)	(355,000)
	<u>3,556,531</u>	<u>2,667,501</u>
Increase in cash and cash equivalents	982,147	1,177,421
Cash and cash equivalents, beginning of year	<u>1,296,858</u>	<u>119,437</u>
Cash and cash equivalents, end of year	\$ 2,279,005	\$ 1,296,858

The Company made \$nil (2023 - \$nil) payments for income taxes and paid \$200,000 (2023 - \$355,000) in interest.
The Company received cash payments of \$nil (2023 - \$11,084) for interest.
See Note 14 for Supplemental Cash Flow Information.

December 31, 2024 and 2023

1. Nature and Continuance of Operations

Omineca Mining and Metals Ltd. (the "Company", "OMM" or "Omineca") was incorporated on March 15, 2011, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia. The Company is a junior resource company holding properties in British Columbia and the Yukon for the purpose of exploring for, and the development of mineral resources. As the Company has not commenced production on any of its mining properties the Company is an exploration stage company. 49 North Resources Inc. ("49 North"), who owns 18.1% (2023 – 25.5%) of the share capital of the Company is the ultimate controlling party.

The Company's corporate office and principal place of business is Suite 602, 224-4th Avenue South, Saskatoon, Saskatchewan, Canada.

Management believes the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. To date, the Corporation has incurred accumulated losses totaling \$30,495,642 (December 31, 2023 - \$27,848,426). The Corporation recognized a comprehensive loss of \$2,647,216 in the current year (2023 – \$2,100,688). The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. The Company's ability to obtain equity financing is dependent on a number of factors including, but not limited to, commodity prices, the results of exploration and development programs, and the impact of regional and global conflicts including tariffs on capital markets. These material uncertainties cast a substantial doubt regarding the Company's ability to continue as a going concern. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

2. Basis of Preparation

(a) Statement of Compliance

The audited financial statements for the Company for the years ending December 31, 2024 and 2023 are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These audited financial statements were authorized for issue by the Company's Board of Directors on April 30, 2025.

(b) Basis of Measurement

These audited financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI") which are stated at their fair value. In addition, these audited financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These audited financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Use of Estimates and Judgments

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

December 31, 2024 and 2023

2. Basis of Preparation - continued

The estimates and underlying assumptions are evaluated and reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the revision occurs.

Significant accounting estimates

- i. Decommissioning provision for environmental rehabilitation and restoration.

Significant accounting judgments

- i. The net carrying value of each cash generating unit in exploration and evaluation assets is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.
- ii. The assessment of the going concern assumption (see Note 1).

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these audited financial statements. The audited financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the material accounting policies summarized below:

a) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and term deposits and investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. As at December 31, 2024 and 2023, cash and cash equivalents consisted of cash and a GIC held as collateral (note 14).

b) Financial instruments

The Company holds various financial instruments. Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Financial instruments recognized in the statements of financial position include cash and cash equivalents, accounts receivable, investments, reclamation bonds, accounts payable and accrued liabilities and debenture payable.

Classification

At initial recognition, financial assets are classified as and measured at amortized cost, FVTPL, or FVTOCI. The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI").

FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

December 31, 2024 and 2023

3. Material Accounting Policies - continued

Amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

Under IFRS 9, the Company classifies its financial instruments as follows:

Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Investments	FVTPL
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debenture payable	Amortized cost

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

December 31, 2024 and 2023

3. Material Accounting Policies - continued

c) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. If the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

d) Exploration and evaluation expenditures

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

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

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

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount and at the end of each reporting period.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

December 31, 2024 and 2023

3. Material Accounting Policies - continued

e) Mineral tax credit

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and by their nature are subject to measurement uncertainty. Adjustments if any, resulting from such a review are recorded in the period that the tax filings are amended.

f) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items. The depreciation method, useful life and residual values are assessed annually.

Depreciation is determined using the declining balance method, using the rates below which approximate the estimated useful life of the asset:

Excavation equipment	30% per annum
Furniture, fixtures and equipment	20% per annum
Vehicles	30% per annum

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

g) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit and loss.

h) Decommissioning obligations

The Company recognizes the fair value of a legal or constructive liability for a decommissioning obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

December 31, 2024 and 2023

3. Material Accounting Policies - continued

i) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants, options, equity portion of convertible debenture and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of common shares issued in private placements was determined to be the more easily measurable component and are valued at their fair value, as determined by the closing price on the announcement date. The balance, if any, is allocated to attached warrants. Any fair value attributed to warrants is recorded to contributed surplus.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

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 portion of the proceeds received but not yet expended at the end of the Company's year is disclosed separately as flow-through share commitments in Note 12, if any.

The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

j) Per share amounts

Basic loss per common share are computed by dividing the loss for the period by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to re-purchase common shares of the Company at the average market price during the period.

December 31, 2024 and 2023

3. Material Accounting Policies - continued

k) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. The fair value of options to purchase common shares is calculated at the date of the grant using the Black-Scholes option-pricing model. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. The amount remains in contributed surplus for options when they expire unexercised.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

l) Accounting pronouncements issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective for reporting periods on or after January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is evaluating the impact of the new standard on its financial statements.

December 31, 2024 and 2023

3. Material Accounting Policies - continued

m) New accounting pronouncements adopted during the year

In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments seek to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 do not override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective and were adopted on January 1, 2024.

The adoption of these amendments did not have a material effect on the financial statements.

4. Investments

The Company holds securities that have been designated as FVTPL as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Current:				
Common shares in public companies	<u>\$ 8,129</u>	<u>\$ 40,692</u>	<u>\$ 5,740</u>	<u>\$ 56,597</u>

For securities traded in an active market, fair value is based on the quoted closing prices of the securities at December 31, 2024 and 2023. Cost is calculated using the quoted closing price on the date of receipt of the securities.

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5. Property and Equipment

Cost	Excavation Equipment	Furniture Fixtures & Equipment	Vehicles	Total
Balance at December 31, 2022	\$562,248	\$ 45,052	\$17,850	\$625,150
Additions	38,375	5,487	-	43,862
Balance at December 31, 2023	600,623	50,539	17,850	669,012
Additions	5,250	-	-	5,250
Balance at December 31, 2024	\$605,873	\$ 50,539	\$17,850	\$674,262
Accumulated Depreciation				
Balance at December 31, 2022	\$360,192	\$ 20,475	\$17,850	\$398,517
Depreciation	60,617	6,833	-	67,450
Balance at December 31, 2023	420,809	27,308	17,850	465,967
Depreciation	53,945	5,989	-	59,934
Balance at December 31, 2024	\$474,754	\$ 33,297	\$17,850	\$525,901
Carrying Value				
At December 31, 2023	\$179,814	\$ 23,231	\$ -	\$203,045
At December 31, 2024	\$131,119	\$ 17,242	\$ -	\$148,361

During the year ended December 31, 2024, the Company expensed depreciation of \$nil (2023 - \$nil) to profit or loss and capitalized \$59,934 (2023 - \$67,450) to exploration and evaluation assets.

6. Exploration and Evaluation Assets

The Company has classified its exploration and evaluation properties into two geographical locations, namely British Columbia and the Yukon. The following is a summary of the properties:

	British Columbia				Yukon	Total
	Abo	Fraser Canyon	Mouse Mountain	Wingdam	Kiwi	
December 31, 2022	\$1	\$ 176,992	\$502,236	\$14,177,562	\$ 1	\$14,856,792
Acquisition and renewal	-	62,791	7,100	10,500	-	80,391
Exploration costs	-	-	-	414,220	-	414,220
Depreciation	-	-	-	67,450	-	67,450
Other	-	-	-	19,670	-	19,670
December 31, 2023	1	239,783	509,336	14,689,402	1	15,438,523
Acquisition and renewal	-	57,868	-	11,527	-	69,395
Exploration costs	-	-	-	3,186,042	-	3,186,042
Depreciation	-	-	-	59,934	-	59,934
Impairment	-	-	(509,335)	-	-	(509,335)
BC METC refund	-	-	-	(15,729)	-	(15,729)
December 31, 2024	\$1	\$297,651	\$1	\$17,931,176	\$1	\$18,228,830

December 31, 2024 and 2023

6. Exploration and Evaluation Assets – continued

2024	Wingdam
Tenure and permits	\$ 1,323
Analytical	102,369
Drilling	1,837,982
Environmental	12,203
Geological	125,092
Geophysical	29,216
Personnel	184,500
Travel and accommodation	99,526
Equipment rental and other	793,831
	\$ 3,186,042

2023	Wingdam
Tenure and permits	\$ 1,323
Analytical	29,867
Drilling	20,000
Environmental	8,979
Geological	143,789
Personnel	60,000
Travel and accommodation	23,747
Equipment rental and other	126,515
	\$ 414,220

As at December 31, 2024 and 2023, the Company has executed option agreements with third parties on the following projects:

BC Projects

Wingdam Project

The Company entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the “Wingdam Project”) in the province of British Columbia. As part of the option agreement, \$2,500,000 was paid and consequently the Company owns 100% of the mineral rights on the property, subject to a 1% net smelter royalty payable to the vendor. The Company has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of \$1,000,000. This property is collateralized for the convertible debenture (note 7).

The Wingdam Project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit. On January 21, 2015, November 23, 2021 and December 18, 2023, the Company received amendments to its Wingdam Project Mines Act permit from the BC Ministry Of Energy and Mines extending the expiry date to March 31, 2026.

The Company has entered into a letter of agreement whereby an arm’s length private company (the “Partner”) will earn a 50% interest in the placer claims contained within the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. During 2022, the Partner earned its interest in the Wingdam property and was granted its 50% interest in the placer claims, as underground operations had begun. Under the terms of the agreement, the Partner is required to complete all mining activities related to the 300 meter bulk sampling program on the placer claims at Wingdam in exchange for 50% of the gold that is recovered. The Company is still responsible for continued operations relating to the hard rock mineral claims. The Company will received 50% of the gold production resulting from the 300 meter bulk sampling at a fixed price of \$1,000 per ounce of gold.

December 31, 2024 and 2023

6. Exploration and Evaluation Assets – continued

In March 2021, the Company entered into a Purchase and Sale Agreement to purchase certain properties related to the Wingdam project (including lands and leases) for exploration activities. As part of the consideration, OMM made total cash payments of \$125,000.

Fraser Canyon Project

The Company entered into an option agreement to acquire a 100% interest in certain placer claims and mineral leases (the "Fraser Canyon Project") in the province of British Columbia. As part of the option agreement, the Company paid \$30,000 and consequently owns 100% of the mineral rights of the property, subject to a 2.5% net smelter royalty payable to the vendor. The Company has the ability to acquire the rights to the net smelter royalties from the vendor at any time for an amount of \$250,000.

Mouse Mountain Project

The Company entered into an option agreement to acquire a 50% interest in the project in the province of British Columbia. As part of the option agreement, the Company issued 300,000 shares and is required to drill 2,000 meters on the project. During the year ended December 31, 2021, the Company completed its drilling and has earned its 50% interest in the project.

During the year ended December 31, 2024, the Company no longer had a budgeted or planned substantive exploration program for the property. The Company recorded an impairment of \$509,335 to reduce the property to \$1.

7. Debenture Payable

The Company has a convertible debenture with 49 North with a principal balance of \$5,400,000. The debenture was amended on September 19, 2016 extending the maturity by three years to October 1, 2021 (previously October 1, 2018). In the event commercial production has not been achieved for an aggregate period of 24 months, at the maturity date this debenture will automatically renew for an additional term of 5 years.

Under the amended debenture, 49 North can convert the principal amount into common shares of Omineca at a conversion price of \$0.20 per common share prior to October 1, 2017; \$0.50 per common share on or after October 1, 2017 but prior to October 1, 2018; and \$0.75 per common share on or after October 1, 2018 (previously \$1.25 after October 1, 2015). The debenture bears interest of 8% per annum, calculated and compounded monthly and is payable upon maturity at October 1, 2021. Accrued interest on the amended debenture is also convertible at a conversion price equal to the greater of the minimum price per common share permitted by the TSXV and the prevailing conversion price applicable to the principal amount at the time of conversion.

The change in terms of the debt resulted in less than a 10% change in cash flows, therefore it was considered a modification of the original debt, rather than an extinguishment of the old debt and the recognition of a new debt.

Payments against principal and interest are required in the event ore sales are generated. 49 North holds a fixed and specific first ranking mortgage, assignment and charge in the Wingdam property.

The convertible debenture has been classified into its separate debenture liability and equity portions in the Company's audited financial statements by the fair value method using an effective interest of 9.76% when valuing the liability first. This resulted in an initial amount of \$5,019,984 being allocated to the liability portion and \$303,244 being allocated to the equity portion. The carrying value of the debenture will be accreted up to its face value over the term to maturity.

December 31, 2024 and 2023

7. Debenture Payable - continued

As commercial production has not commenced, the maturity date had been extended in October 2021 for five years and the balance remains in long-term liabilities. The convertible debenture was valued by the fair value method using an effective interest of 11.88% on renewal date and the new carrying valuing of the convertible debt is accreted up to its face value over the term of the new maturity. On renewal date, \$786,617 was allocated to the equity portion using Black-Scholes Option pricing model. Assumptions used in the pricing model for the year are as follows: share price on renewal date of \$0.17, risk-free interest rate of 1.13%, expected life of 5 years, annualized volatility 116.78% determined by reference to the Company's historical trading prices, and dividend rate of \$nil.

	As at December 31	
	2024	2023
Original face value of convertible debenture	\$ 5,400,000	\$5,400,000
Less: equity portion of convertible debenture	(144,872)	(144,872)
Add: accretion	68,100	68,100
Carrying amount of convertible debenture at amendment date	5,323,228	5,323,228
Less: equity portion of amended convertible debenture	(1,089,861)	(1,089,861)
Add: accretion	837,239	677,438
Add: accrued interest	7,419,671	6,564,042
Less: repayments	(1,689,657)	(1,489,657)
	\$10,800,620	\$9,985,190
	Year ended December 31,	
	2024	2023
Accretion expense	\$ 159,801	\$ 141,986
Accrued interest	855,629	821,581
	\$ 1,015,430	\$ 963,567

During the year ended December 31, 2024, \$1,015,430 (2023 - \$963,567) in accretion and accrued interest was expensed in profit and loss.

8. Equity Instruments

a) Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of first and second preference shares without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

b) Issued and outstanding

At December 31, 2024, there were 261,804,318 (2023 – 178,034,575) shares issued and outstanding.

On March 23, 2023, the Company closed a brokered private placement, selling 29,272,675 flow-through units at a price of \$0.11 per unit for gross proceeds of \$3,219,994. Each unit consisted of a flow-through common share and one non-flow-through common share purchase warrant, with each warrant exercisable at \$0.14 for a 36 month period ("Warrant"). A finder's fee of \$193,940 cash was paid to a third party, the Company incurred other share issue costs of \$143,553 and issued 1,763,092 agent options valued at \$273,280. Each agent option is exercisable at a price of \$0.11 in exchange for one non-flow through common share and one Warrant.

December 31, 2024 and 2023

8. Equity Instruments – continued

On November 26, 2024, the Company completed a non-brokered rights offering whereby one right was issued for each common share outstanding. Three rights and \$0.04 entitled the holder to receive one unit, which consisted of one common share and one whole common share purchase warrant, each whole warrant is exercisable at \$0.07 for a 36 month period. In total, 38,083,380 rights were exercised, for gross proceeds of \$1,523,335. In connection with the financing the Company incurred share issue costs of \$56,458.

On December 23, 2024, the Company closed a brokered private placement, selling 43,636,363 flow-through units at a price of \$0.055 per unit for gross proceeds of \$2,400,000. Each unit consisted of a flow-through common share and one non-flow-through common share purchase warrant, with each warrant exercisable at \$0.10 for a 36 month period. A finder's fee of \$123,287 cash was paid to a third party, the Company incurred other share issue costs of \$148,559 and issued 2,289,309 agent options and broker warrants valued at \$228,930. Each agent option is exercisable at a price of \$0.055, for a 36 month period, in exchange for one non-flow through common share and one warrant. The warrants issued as part of the agent options have the same terms as the regular warrants. In addition, \$218,182 was allocated to the flow-through component and recognized as a flow through premium liability (Note 12).

c) Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants (the "Option Plan"). Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price and vesting period of options granted is not less than the market price of the common shares traded less the available discount under TSX Venture Exchange Inc. policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

As at and during the years ended December 31, 2024 and December 31, 2023, the Company has the following stock option activities:

	Number of Options	Exercise Price per Share Range	Weighted Average Exercise Price	Weighted Average Remaining Life
Total issued and outstanding				
Balance, December 31, 2022	13,100,000	\$ 0.05 - \$0.33	\$ 0.18	3.53 years
Granted	5,500,000	0.07	0.07	
Exercised	(2,800,000)	0.05	0.05	
Balance, December 31, 2023	15,800,000	0.05 - 0.33	0.16	2.97 years
Exercised	(1,800,000)	0.08	0.08	
Exercised	(250,000)	0.07	0.07	
Expired	(750,000)	0.08	0.08	
Balance, December 31, 2024	13,000,000	\$ 0.05 - \$0.33	\$ 0.18	2.45 years

The weighted average share price on the date of exercises was \$0.11 (2023 – \$0.085).

As at December 31, 2024, the following table summarizes information about stock options outstanding:

Options Outstanding	Exercise Price	Expiry Date	Number of Options Currently Exercisable
800,000	\$ 0.05	May 15, 2028	800,000
400,000	\$ 0.25	May 31, 2026	400,000
2,100,000	\$ 0.25	July 26, 2026	2,100,000
3,150,000	\$ 0.33	December 11, 2025	3,150,000
1,300,000	\$ 0.20	January 13, 2027	1,300,000
5,250,000	\$ 0.07	September 27, 2028	5,250,000
13,000,000			13,000,000

December 31, 2024 and 2023

8. Equity Instruments – continued

d) Compensation expense for share options

During the year ended December 31, 2024, \$nil (2023 - \$269,500) was recorded as share-based payments for options granted and vested in the year. Share-based payments are determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period, which all options vested immediately when granted.

On September 27, 2023, the board of directors of the Corporation approved the grant of 5,500,000 stock options pursuant to the Option Plan. 2,500,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.07 per share, vest immediately and, if not exercised, expire September 27, 2028, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on September 27, 2023, using the Black-Scholes option pricing model, was \$269,500 (\$0.049 per option) which was allocated to the share-based payments with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.06, risk-free interest rate of 4.15%, expected life of 5 years, annualized volatility 116.17% determined by reference to the Company's historical trading prices, and dividend rate of nil.

(e) Warrants outstanding

As at and during the years ended December 31, 2024 and December 31, 2023, the Company has the following warrant activities:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2022	33,165,090	\$ 0.12 – 0.35	1.01 years
Issued	29,272,675	0.14	
Expired	(11,166,000)	0.20	
Expired	(9,499,091)	0.35	
Expired	(3,125,000)	0.24	
Balance, December 31, 2023	38,647,674	0.12 – 0.14	1.90 years
Issued	38,083,380	0.07	
Issued	43,636,363	0.10	
Balance, December 31, 2024	120,367,417	\$ 0.07 – 0.14	2.36 years

As at December 31, 2024, the following table summarizes information about warrants outstanding:

Warrants Outstanding	Exercise Price	Expiry Date
9,374,999	\$ 0.12	November 16, 2025 ⁽¹⁾
29,272,675	\$ 0.14	March 23, 2026
38,083,380	\$ 0.07	November 26, 2027
43,636,363	\$ 0.10	December 23, 2027
120,367,417		

(1) During the year ended December 31, 2024, the expiry date was extended from November 16, 2024 to November 16, 2025.

December 31, 2024 and 2023

8. Equity Instruments – continued

(f) Agent options outstanding

As at December 31, 2024, the Company has the following agent options outstanding:

Total issued and outstanding	Number of Options	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2022	1,204,873	\$ 0.28	0.90 years
Issued	1,763,092 ⁽¹⁾	0.11	
Expired	(1,204,873)	0.28	
Balance, December 31, 2023	1,763,092	\$0.11	2.23 years
Issued	47,734 ⁽²⁾	0.055	
Balance, December 31, 2024	1,810,826	\$0.055 - \$ 0.11	1.26 years

As at December 31, 2024, the following table summarizes information about agent options outstanding:

Warrants Outstanding	Exercise Price	Expiry Date
1,763,092	\$ 0.11	March 23, 2026 ⁽¹⁾
47,734	\$ 0.055	December 23, 2027 ⁽²⁾
1,810,826		

⁽¹⁾ Each agent option is exercisable at a price of \$0.11 in exchange for one non-flow through common share and one warrant.

⁽²⁾ Each agent option is exercisable at a price of \$0.055 in exchange for one non-flow through common share and one warrant.

The value of the agent options issued on March 23, 2023, using the Black-Scholes option pricing model, was \$273,280, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.11, risk-free interest rate of 3.46%, expected life of 3 years, annualized volatility 104.38% determined by reference to the Company's historical trading prices, and dividend rate of nil.

The value of the agent options issued on December 23, 2024, using the Black-Scholes option pricing model, was \$4,772, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.07, risk-free interest rate of 3.01%, expected life of 3 years, annualized volatility 121.95% determined by reference to the Company's historical trading prices, and dividend rate of nil.

(g) Broker warrants outstanding

As at December 31, 2024, the Company has the following broker warrants outstanding:

Total issued and outstanding	Number of Warrants	Exercise Price per Share Range	Weighted Average Remaining Life
Balance, December 31, 2022	371,875	\$ 0.16	0.99 years
Expired	(371,875)	\$ 0.16	
Balance, December 31, 2023	-	\$ 0.00	0 years
Issued	2,241,575 ⁽¹⁾	\$0.055	
Balance, December 31, 2024	2,241,575	\$ 0.055	2.98 years

⁽¹⁾ Each broker warrant is exercisable at a price of \$0.055 in exchange for one non-flow through common share and one warrant.

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8. Equity Instruments – continued

The value of the broker warrants issued on December 23, 2024, using the Black-Scholes option pricing model, was \$224,158, which was allocated to contributed surplus and an increase in share issue costs. Weighted average assumptions used in the pricing model for the year are as follows: share price on grant date of \$0.07, risk-free interest rate of 3.01%, expected life of 3 years, annualized volatility 121.95% determined by reference to the Company's historical trading prices, and dividend rate of nil.

9. Income Taxes

As of December 31, 2024 and 2023, the effective tax rate of income tax varies from the statutory rate as follows:

	2024	2023
Statutory tax rates	27.00%	27.00%
Expected income tax recovery at statutory rates	\$ (714,748)	\$ (567,186)
Permanent differences	30,812	73,805
True-up of prior year differences	3,221	(8,355)
Share issuance costs and flow-through	692,421	-
Tax benefits not recognized	(11,706)	501,736
Deferred income tax expense	\$ -	\$ -

The Company has the following unrecognized deductible temporary differences and tax losses:

	Years ended December 31,			
	2024	Expiry	2023	Expiry
Non-capital losses carried forward	\$ 4,285,000	2028 – 2044	\$ 4,119,000	2028 - 2043
Capital losses carried forward	27,000	No expiry date	17,000	No expiry date
Property and equipment	547,000	No expiry date	487,000	No expiry date
Debenture payable	905,000	No expiry date	746,000	No expiry date
Decommissioning provision	65,000	No expiry date	65,000	No expiry date
Marketable securities	33,000	No expiry date	83,000	No expiry date
Share issuance costs	491,000	2025 – 2028	423,000	2024 - 2027
Unrecognized deductible temporary differences	\$ 6,353,000		\$ 5,940,000	

The following is the analysis of recognized deferred tax assets and deferred tax liabilities:

	Years ended December 31,	
	2024	2023
Deferred tax liabilities		
Exploration and evaluation assets	\$ (2,658,314)	\$ (2,128,482)
Deferred tax liabilities	(2,658,314)	(2,128,482)
Deferred tax assets		
Non-capital losses carried forward	2,658,314	2,128,482
Deferred tax assets	2,658,314	2,128,482
Net deferred tax assets (liabilities)	\$ -	\$ -

Tax attributes are subject to review, and potential adjustment by tax authorities.

December 31, 2024 and 2023

10. Per Share Amounts

The calculation of per share amounts are based on the weighted average number of shares outstanding during the year ended December 31, 2024 of 183,976,130 (2023 – 170,422,632) shares.

The net effect of applying the treasury-stock method to the weighted average number of shares outstanding has an anti-dilutive effect for the years ended December 31, 2024 and 2023.

11. Related Party Transactions

The Company was involved in the following related party transactions during the year:

- (a) The Company has a convertible debenture with accrued interest with 49 North. During the year ended December 31, 2024 the Company accrued \$855,629 (2023 - \$821,581) in interest expense and \$159,801 (2023 - \$141,986) in accretion expense.
- (b) During the year ended December 31, 2024, the Company incurred rent of \$48,000 (2023 - \$48,000), which is included in administration costs. At December 31, 2024, \$21,935 (2023 - \$2,851 is included in accounts payable and accrued liabilities) is included in accounts receivable from 49 North.

Compensation to key management personnel in the year and prior year:

	<u>2024</u>	<u>2023</u>
Consulting and management fees	\$ 360,000	\$ 360,000
Share-based payments	-	122,500
	<u>\$ 360,000</u>	<u>\$ 482,500</u>

- (c) Included in administration costs is \$240,000 (2023 - \$240,000) for consulting fees to a company controlled by a director and officer of the Company. At December 31, 2024, \$21,000 (2023 - \$27,000) is included in accounts payable and accrued liabilities.
- (d) Included in administration costs is \$120,000 (2023 - \$120,000) for consulting fees to a company controlled by a director and officer of the Company. At December 31, 2024, \$nil (2023 - \$nil) is included in accounts payable and accrued liabilities.
- (e) In the year ended December 31, 2023, the Company granted 2,500,000 options to directors and officers of the Company and recorded share-based payments of \$122,500. The options are exercisable at \$0.07 and expire September 27, 2028. No share-based payments were made in the year ended December 31, 2024.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

The amounts owed and owing are unsecured, non-interest bearing, with no fixed terms of repayment.

12. Commitments and Contingencies

The Company has \$100,000 (2023 - \$100,000) held as project reclamation deposits in favor of regulatory authorities. The amount of the deposit is determined at the time the exploration program is planned and a notice of work is submitted to the regulatory authority. If the work is more extensive than previously planned, the amount of the deposit will be increased. When reclamation work is completed on a project to the satisfaction of the regulatory authority, the deposit is released to the Company.

December 31, 2024 and 2023

12. Commitments and Contingencies - continued

As at December 31, 2024 and 2023, the Company has recorded a \$65,000 provision for reclamation activities related to the Wingdam project based on historical cost estimates and reclamation plans submitted to regulatory authorities. The timing of the reclamation activities cannot be estimated at this time, and will be performed upon the completion of the development of the project.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such an indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification.

During the year ended December 31, 2023, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$nil and is required to spend \$3,219,994. As at December 31, 2024, the Company has expended \$3,219,994 and has no further expenditure requirement. In connection with the use of the flow-through lookback, rule the Company has accrued and expensed \$118,596 in administrative costs for the Part XII.6 taxes.

During the year ended December 31, 2024, the Company closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$218,182 and is required to expend \$2,400,000 before December 31, 2025. As at December 31, 2024 the Company has expended \$nil.

The Company is a party to litigation in the normal course of operations. Management has performed an assessment of the probability of an unfavorable outcome from an existing claim and has determined that the likelihood and financial impact cannot be reasonably estimated at the reporting period date. The Company has filed a statement of defense refuting the asserted claims and will continue to use all legal recourse reasonably available.

13. Financial Instruments

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 2,279,005	\$ -	\$ -	\$ 2,279,005
Investments	\$ 8,129	\$ -	\$ -	\$ 8,129
<hr/>				
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 1,296,858	\$ -	\$ -	\$ 1,296,858
Investments	\$ 5,740	\$ -	\$ -	\$ 5,740

December 31, 2024 and 2023

13. Financial Instruments – continued

The Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to concentration risk, credit risk, currency risk, price risk, commodity price risk and liquidity risk. The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

a) Concentration risk

At December 31, 2024, all of the Company's cash and cash equivalents were held at a recognized Canadian national financial institution. As a result, the Company was exposed to all of the risks associated with that institution. Concentration risk also exists in investments as the investments are primarily in shares of junior resource companies involved in gold exploration.

b) Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The maximum credit exposure associated with accounts receivable is \$21,935 (2023 - \$92,089). As at December 31, 2024, the Company has no monetary assets or liabilities in foreign currencies. As at December 31, 2024, the Company has an estimated credit loss allowance of \$115,163 (2023 - \$Nil).

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

d) Price risk

The Company's investments designated as FVTPL are traded on the TSX Venture Exchange. A 1% change in the quoted share price would not significantly impact the fair value of the investments. The change would be recorded in profit or loss.

e) Commodity price risk

The value of the Company's exploration and evaluation resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

f) Liquidity risk

The Company has a working capital deficiency of \$309,304 at December 31, 2024 (2023 – surplus of \$679,756) which is not sufficient to meet long term business requirements when taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. Future operations or exploration programs will require additional financing primarily through equity markets, or through joint arrangements.

14. Supplemental Cash Flow Information

Non-cash investing and financing activities:

Included in exploration and evaluation assets is \$59,934 (2023 - \$67,450) in capitalized depreciation and \$2,036,932 (2023 - \$253,879) in exploration costs are included in accounts payable and accrued liabilities.

During the year ended December 31, 2024, the Company received \$15,729 (2023 - \$145,349) in mineral exploration tax credits.

The Company allocated \$154,450 (2023 - \$126,000) from contributed surplus to share capital upon the exercise of stock options.

December 31, 2024 and 2023

14. Supplemental Cash Flow Information – continued

The Company recognized \$228,930 (2023 - \$273,280) for the fair value of agent options issued during the year.

Cash and cash equivalents includes a \$44,000 (2023 - \$20,000) GIC held as security for company credit cards. The remaining balance consists of cash.

15. Capital Management

The Company includes cash and cash equivalents and equity, which is comprised of issued common shares, equity component of debenture payable, contributed surplus, and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended December 31, 2024 and 2023. The Company is not subject to externally imposed capital requirements.

16. Subsequent Events

On January 3, 2025, 300,000 warrants were exercised for gross proceeds of \$21,000.

On January 7, 2024, the board of directors of the Corporation approved the grant of 10,000,000 stock options pursuant to the Option Plan. 4,500,000 of the options were granted to directors and executive officers with the balance granted to employees and consultants. The options are exercisable at \$0.07 per share, vest immediately and, if not exercised, expire January 7, 2030, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The imposition of tariffs on certain imported goods and commodities by the United States and the corresponding retaliatory measures by the Government of Canada has resulted in changes in political and market conditions, the extent of which cannot be reasonably determined as the effective dates, rates, scope and nature of the tariffs is continually evolving. Although the Company does not have any direct trade with customers or suppliers in the United States, the broader impact of the tariffs on the economy in which the Company operates may have a financial effect on the Company's future operations. The impact on the Company remains uncertain and cannot be estimated; however, management continues to monitor the evolving situation.