
GEMDALE GOLD INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN EUROS)

Independent Auditor's Report

To the Shareholders of Gemdale Gold Inc.

Opinion

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

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

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 consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company 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 material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
May 21, 2025

Gemdale Gold Inc.
Consolidated Statements of Financial Position
(Expressed in Euros)

As at,	December 31, 2024	December 31, 2023
ASSETS		
<i>Current</i>		
Cash	€ 55,271	€ 240,228
Funds held in trust (note 4)	56,930	-
VAT receivables	9,143	22,345
Prepaid expenses and others	12,234	5,539
Total current assets	133,578	268,112
Security deposit bonds (note 5)	17,514	27,512
Equipment (note 6)	14,144	42,003
Total assets	€ 165,236	€ 337,627
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (note 14)	€ 264,921	€ 128,200
Income tax payable	1,612	-
Vehicle loan (note 7)	-	27,040
Total liabilities	266,533	155,240
SHAREHOLDERS' EQUITY		
Share capital (note 8)	2,347,063	2,100,102
Contributed surplus (note 9)	147,890	142,915
Deficit	(2,612,161)	(2,081,239)
Accumulated other comprehensive income	15,911	20,609
Total shareholders' equity	(101,297)	182,387
Total liabilities and shareholders' equity	€ 165,236	€ 337,627

Nature of operations and going concern (note 1)
Contingencies (note 15)
Subsequent events (note 18)

Approved on behalf of the Board:

"David Pym"
Director

"Dan Denbow"
Director

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

Gemdale Gold Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Euros)

	Year Ended	
	December 31,	
	2024	2023
Operating expenses		
Amortization (note 6)	5,636	14,391
Exploration and evaluation expenditures (note 5)	192,305	587,044
Foreign exchange	629	316
Gain on disposal of equipment	(5,207)	-
General and administration costs	14,554	76,858
Professional fees (note 14)	306,545	218,680
Rent	9,840	9,896
Share based compensation (note 9)	4,975	72,145
Vehicle repairs and rentals	1,645	1,939
Net loss for the year	(530,922)	(981,269)
Other comprehensive income		
Translation difference on foreign operations	(4,698)	(11,441)
Net loss and comprehensive loss for the year	€ (535,620)	€ (992,710)
Basic and diluted loss per share (note 10)	€ (0.04)	€ (0.08)
Weighted average number of common shares outstanding - basic and diluted	12,984,252	12,439,124

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

Gemdale Gold Inc.
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Euros)

	Number of common shares	Issued capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings (Deficit)	Total
Balance, December 31, 2022	12,264,350	€ 1,757,068	€ 70,770	€ 32,050	€ (1,099,970)	€ 759,918
Private placement (note 8)	518,639	343,034	-	-	-	343,034
Share based compensation (note 9)	-	-	72,145	-	-	72,145
Exchange difference on foreign operations	-	-	-	(11,441)	-	(11,441)
Net loss for the year	-	-	-	-	(981,269)	(981,269)
Balance, December 31, 2023	12,782,989	2,100,102	142,915	20,609	(2,081,239)	182,387
Private placement (note 8)	383,350	246,961	-	-	-	246,961
Share based compensation (note 9)	-	-	4,975	-	-	4,975
Exchange difference on foreign operations	-	-	-	(4,698)	-	(4,698)
Net loss for the year	-	-	-	-	(530,922)	(530,922)
Balance, December 31, 2024	13,166,339	€ 2,347,063	€ 147,890	€ 15,911	€ (2,612,161)	€ (101,297)

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

Gemdale Gold Inc.
Consolidated Statements of Cash Flows
(Expressed in Euros)

For the years ended December 31,	2024	2023
Operating activities		
Net loss for the year	€ (530,922)	€ (981,269)
<i>Items not affecting cash:</i>		
Amortization	5,636	14,391
Share based compensation	4,975	72,145
Foreign exchange	(4,698)	(11,441)
Interest expense	-	1,054
Gain on disposal of equipment	(5,207)	-
	(530,216)	(905,120)
<i>Changes in non-cash working capital items:</i>		
VAT receivables	13,592	(13,585)
Prepaid expenses and others	(6,695)	(323)
Security deposit bonds	9,998	(10,005)
Income tax payable	1,612	(394)
Accounts payable and accrued liabilities	79,791	32,951
Net cash used in operating activities	(431,918)	(896,476)
Financing activities		
Proceeds from issuance of shares	257,301	350,787
Share issuance costs	(10,340)	(7,753)
Loan payments	-	(10,292)
Net cash provided by financing activities	246,961	332,742
Decrease in cash	(184,957)	(563,734)
Cash, beginning of year	240,228	803,962
Cash, end of year	€ 55,271	€ 240,228
Supplemental information		
Interest paid	€ -	€ 1,054
Return of vehicle for settlement of vehicle loan including VAT	€ 27,040	€ -
Funds in trust for shares to be issued	€ 56,930	€ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gemdale Gold Inc., ("Gemdale Gold" or the "Company") is a gold mineral exploration company that is in the business of acquiring and exploring mineral exploration properties in Finland for potential development.

Gemdale Gold was incorporated on February 4, 2021 under the laws of British Columbia, Canada. Effective February 16, 2021, the Company entered into an arrangement and exchange agreement (the "Agreement") with Gemdale Limited ("Limited"). Limited was incorporated on February 7, 2017 under the laws of Ireland, issuing 100 shares for €100. Under the Agreement, the shareholders of Limited became shareholders of the Company by exchanging 100% of their outstanding common shares of Limited for common shares of the Company, proportionally based on each shareholder's respective interest of Limited. Upon the completion of the Agreement, Limited became a wholly owned subsidiary of the Company. The transaction was accounted for as a capital transaction using the continuity of interest method.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. 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 date. During the year ended December 31, 2024, the Company incurred a net loss from operations of €530,922 (year ended December 31, 2023 - €981,269). As at December 31, 2024, the Company has a working capital deficiency of €132,955 (December 31, 2023 - working capital surplus of €112,872).

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. As a result, there is material uncertainty that results in significant doubt about the Company's ability to continue as a going concern. Should the going concern basis not be appropriate, adjustments would have to be made to the consolidated financial statements. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company's mineral exploration property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

2. BASIS OF PREPARATION

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

The consolidated financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities, which are measured at fair value. These financial statements are also prepared on an accrual basis except for cash flows.

The policies set out below have been consistently applied to all the years presented. These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 21, 2025.

2. BASIS OF PREPARATION (Continued)

Functional currency and presentation currency

These consolidated financial statements are presented in Euros ("EUR"), except as otherwise noted, which is the functional currency of the Company. The functional currency of each individual entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency of Gemdale Gold Inc. is the Canadian Dollar ("CAD"), for all other entities, the functional currency is the Euro.

Basis of consolidation

These consolidated financial statements incorporate the assets, liabilities and results of operations of all entities controlled by the Company. The effects of all transactions between entities in the consolidated group have been eliminated.

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. All material inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements include the accounts of the Gemdale Gold Inc., and its wholly owned subsidiaries Gemdale Ltd. (incorporated in Ireland), Gemdale Oy (incorporated in Finland), and Finkivi Oy (incorporated in Finland).

Judgements

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year.

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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised.

Areas that require significant estimates and assumptions as the basis for determining the stated amounts include, but are not limited to, the following:

i. Going concern

Management has determined that the Company will be able to continue as a going concern for the next twelve months.

ii. Share-based compensation

When stock options are issued by the Company, it calculates their estimated fair value using the Black-Scholes option pricing model, which may not reflect the actual value on exercise. The Company uses publicly available rates, where available, as inputs into the model including volatility assumptions. The Company recognizes the fair value of stock options on the consolidated statement of loss over the vesting period.

2. BASIS OF PREPARATION (Continued)

Judgements (continued)

Areas that require significant estimates and assumptions as the basis for determining the stated amounts include, but are not limited to, the following: (continued)

iii. Estimated useful lives, recoverability, residual values and amortization of equipment

Amortization of equipment is dependent upon estimates of useful lives and residual values, which are determined through the exercise of judgment. The assessment of any impairment of these assets' is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

iv. Income taxes

The Company is subject to income taxes in Canada, Finland, and Ireland. Management has estimated the income tax provision and deferred income tax balances in accordance with its interpretation of the various income tax laws and regulations and has estimated the recoverability of deferred tax balances. It is possible, due to complexity inherent in estimating income taxes that the tax provision and deferred income tax balances could change. Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize tax losses recognized as deferred tax assets. Assumptions about the generation of future taxable profits depend on managements' estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize or recognize net deferred tax assets, if any, at the reporting date could be impacted.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these consolidated financial statements are as follows:

Equipment

Equipment is stated at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statement of loss during the year in which they are incurred.

The Company allocates the amount initially recognized in respect of an item of equipment to its significant parts and amortized separately each such part. Residual values, method of amortization and useful lives are reviewed annually and adjusted if appropriate.

The Company's equipment consists of equipment and vehicles that are amortized at a rate of 25% using the declining balance method.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Exploration and evaluation (“E&E”) expenditures

Exploration and evaluation (“E&E”) expenditures include the direct costs of mineral exploration rights, licenses, technical services and studies, environmental studies, exploration drilling and testing, production scale manufacturing tests, directly attributable overhead and administrative expenses including remuneration of operating personnel and supervisory management, and all costs relating to the acquisition of mineral properties determined to be the acquisition of assets and liabilities for accounting purposes.

E&E expenditures are expensed as incurred to the date that costs incurred are determined to be economically recoverable, the assessment of which would require the completion of a feasibility study that demonstrates a positive commercial outcome, and for the Company to decide to move forward with development of the property into a commercial operation such that it is probable that the future economic benefits will flow to the Company.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the year incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

The Company did not have any significant restoration provisions at December 31, 2024 and 2023.

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represents substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Leases (continued)

Right-of-use asset

The Company recognizes a right-of-use (“ROU”) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined by the estimated lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as a rent expense in the consolidated statement of loss and comprehensive loss on a straight-line basis over the lease term.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and financial liabilities are recognized in the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Financial assets

Classification of financial assets

Amortized cost:

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

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

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

Fair value through other comprehensive income ("FVTOCI"):

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

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

The Company does not currently hold any financial instruments designated as FVTOCI.

Equity instruments designated as FVTOCI:

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income ("OCI"). The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to retained earnings.

The Company does not currently hold any equity instruments designated as FVTOCI.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets (continued)

Financial assets measured subsequently at FVTPL:

By default, all other financial assets are measured subsequently at FVTPL.

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

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

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Classification of financial liabilities

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Classification of financial instruments

The following is a summary of significant categories of financial instruments outstanding at December 31, 2024 and 2023:

Cash	Amortized cost
Funds held in trust	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Vehicle loan	Amortized cost

Carrying values and fair values of financial assets and liabilities are approximately equal, given their nature.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there are any indications of impairment. In determining the recoverable amount, the Company also considers the net carrying amount of the asset, the ongoing costs required to maintain and operate the asset, and the use, value and condition of the asset.

Where the asset does not generate cash inflows that are independent with other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The recoverable amount is determined as the higher of fair value less costs of disposal and the asset's value in use. Fair value is determined with reference to discounted estimated future cash flow analysis or to recent transactions involving dispositions of similar properties. In assessing value in use, the estimated future cash flows are discounted to their present value.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as a charge to earnings or loss. Non-financial assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed.

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

Taxes

Current tax expense

Current tax is the expected tax payable or receivable on the taxable earnings or loss for the period.

Current tax for the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date, and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax expense

Deferred tax is accounted for using the balance sheet liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences except where the deferred tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting earnings nor taxable earnings or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forwards of unused tax losses and tax credits, to the extent that it is probable that taxable earnings will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized, except where the deferred tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting earnings nor taxable earnings or loss.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Taxes (continued)

Deferred tax expense (continued)

The carrying amounts of deferred tax assets are reviewed at each reporting date and are adjusted 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 utilized. To the extent that an asset not previously recognized fulfills the criteria for recognition, a deferred tax asset is recorded.

Deferred tax is measured on an undiscounted basis using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws enacted or substantially enacted at the reporting date. Current and deferred tax relating to items recognized directly in equity are recognized in equity and not in earnings or loss.

Share capital

Common shares are classified as issued capital. Costs directly attributable to the issue of common shares are recognized as a deduction from issued capital, net of any tax effects.

Loss per share

Basic Loss per share ("LPS") is calculated by dividing the loss of the Company by the basic weighted average number of common shares outstanding during the period. For purposes of calculating diluted LPS, the proceeds from the potential exercise of dilutive share options with exercise prices that are below the average price of the underlying shares are assumed to be used in purchasing the Company's common shares at their average price for the period.

Share-based payments

The Company has a stock option plan, which is described in Note 9. The Company applies the fair value method to all share-based payments and to all grants that are direct awards of stock that call for settlement in cash or other assets. Options granted under the Company's stock option plan vest as determined by the directors at the time of grant. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, share capital is credited for the consideration received and the related contributed surplus is decreased.

Where the stock options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the consolidated statement of loss, unless the fair value cannot be estimated reliably, in which case they are recorded at the fair value of the equity instruments granted.

Operating segments

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company operated in one business segment – the acquisition, and exploration and evaluation of mineral properties, and three geographical segments – Canada, Finland and Ireland.

3. MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Revenue, expense items and capitalized exploration and evaluation expenditures are translated using the average rate of exchange during the financial statement periods, except for depreciation and amortization, which are translated at historic rates. Foreign exchange gains and losses resulting from the translation of transactions and balances denominated in foreign currencies are included in the consolidated statement of loss and comprehensive loss.

Translation of foreign operations

The assets and liabilities of foreign operations are translated into Euros at year-end exchange rates. Income and expenses, and cash flows are translated into Euros using average exchange rates. Differences resulting from translating foreign operations are reported as translation differences in other comprehensive income and accumulated in equity. When a foreign operation is disposed of, the translation differences previously recognized in equity are reclassified to profit or loss.

New standards adopted

During the year ended December 31, 2024, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These new standards and changes did not have any material impact on the Company's consolidated financial statements.

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently evaluating the impacts of adoption, and will adopt these amendments as of their effective date.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18, Presentation and Disclosure in Financial Statements that will replace IAS 1, Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures (MPMs) in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

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4. Funds held in trust

The Company has funds held in trust of €56,930 as at December 31, 2024, consisting of funds that are held in trust by the Company's external legal counsel related to the closing of a future private placement. Subsequent to year end the private placement closed (note 18).

5. Exploration and evaluation ("E&E") expenditures

	Pontio		Isoneva		Lapland & Kumiseva		Total
Surveying, sampling and analysis	€	1,218	€	-	€	4,228	€ 5,446
Geological and consulting		14,011		2,567		7,354	23,932
Camping procurement and expediting		12,732		47,910		9,039	69,681
Claims		42,329		15,752		35,165	93,246
Year ended December 31, 2024	€	70,290	€	66,229	€	55,786	€ 192,305

	Pontio and Karhu		Isoneva		Lapland & Kumiseva		Total
Surveying, sampling and analysis	€	213,693	€	2,167	€	7,865	€ 223,725
Geological and consulting		17,210		-		34,292	51,502
Camping procurement and expediting		122,414		75,699		15,702	213,815
Claims		1,729		22,309		70,437	94,475
Transportation		2,115		1,412		-	3,527
Year ended December 31, 2023	€	357,161	€	101,587	€	128,296	€ 587,044

Pontio and Karhu Properties

The Pontio property is located in central Finland in the Bothnian region. It was acquired during fiscal 2018 through staking, and is now covered by an Exploration Permit which remains valid until the next renewal date in February 2027.

The Karhu property was located in central Finland in the Bothnian Region. On June 6, 2023, the Company ceased operations on the Karhu properties, and relinquished title.

The Company historically had other Reservations in the Pontio area (Antikanpera and Merijarvi1 and 2) these expired in September 2023 (Antikanpera) and April 2024 (Merijarvi1 and 2).

Isoneva

The Isoneva exploration permits are properties, located in central Finland in the Bothnian region, and were acquired during fiscal 2019 and 2020 through staking.

Lapland

The Vuostimo and Kannusvaara were Mineral Reservations located in the Lapland region of Finland, and were acquired during fiscal 2019 and 2020 through staking. The Reservation expired in 2021, however the Company has applied for Exploration Permits within the Reservation area's. These exploration permits are named Vuollosvaara, Palkisvaara, Paksuselkä, Hilkunavaara and Molkankummut. Palkisvaara and Paksuselkä have been approved. The other Exploration Permits remain pending.

The Company also has two approved Exploration Permits (Ranta & Ranta2) elsewhere in Lapland that were outside of the original Mineral Reservations.

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5. Exploration and evaluation (“E&E”) expenditures (Continued)

Kumiseva

The Kumiseva Reservation is a property located in central Finland in the Bothnian region and was acquired during fiscal 2019 through staking.

The Kumiseva Reservation permit expired in 2021. Prior to the expiration date the Company applied for Exploration Permits within the Reservation area. These are named Nuotti and Perä. Nuotti was approved on November 29, 2022. The Pera Exploration Permit was surrendered, and reapplied for as a Reservation, which was approved in August, 2024.

Security Deposits

As at December 31, 2024, the Company had €17,514 (December 31, 2023 - €27,512) of deposits and exploration advances held in an escrow account as required under the terms of various exploration permits. Such deposits were required in order to permit the Company to conduct exploration and evaluation activities.

6. Equipment

Cost		Vehicles	Equipment	Total
Balance, December 31, 2023, and 2022	€	72,148	€ 49,419	€ 121,567
Disposal		(43,973)	(1,374)	(45,347)
Balance, December 31, 2024	€	28,175	€ 48,045	€ 76,220
Accumulated Amortization				
Balance, December 31, 2022	€	34,372	€ 30,801	€ 65,173
Amortization		9,442	4,949	14,391
Balance, December 31, 2023		43,814	35,750	79,564
Amortization		1,672	3,964	5,636
Disposal		(22,330)	(794)	(23,124)
Balance, December 31, 2024	€	23,156	€ 38,920	€ 62,076
Balance, December 31, 2022	€	37,776	€ 18,618	€ 56,394
Balance, December 31, 2023	€	28,334	€ 13,669	€ 42,003
Balance, December 31, 2024	€	5,019	€ 9,125	€ 14,144

7. VEHICLE LOAN

On August 20, 2021, the Company entered into a 3 year vehicle loan of €48,180. The incremental borrowing rate for the loan was 2.95%. On January 19, 2024, the Company returned the vehicle. The continuity of the loan is presented in the table below:

		December 31, 2024		December 31, 2023
Balance, opening of year	€	27,040	€	36,278
Interest expense		-		1,054
Disposal		(27,040)		(10,292)
Balance, end of year	€	-	€	27,040

8. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value. The Company does not currently pay dividends and entitlement will only arise upon declaration.

Common shares issued

On August 30, 2023, the Company completed a brokered private placement of 518,639 common shares at €0.67 (CAD\$1.00) per share for aggregate proceeds of €350,787 (CAD\$518,639). The Company incurred share issuance cost of €7,753 (CAD\$11,715). Directors of the Company participated in the private placement and purchased 50,010 common shares for proceeds of €32,207 (CAD\$50,010).

On May 21, 2024, the Company completed a non-brokered private placement of 185,000 common shares at €0.67 (CAD\$1.00) per share for aggregate proceeds of €124,865 (CAD\$185,000). The Company incurred share issuance costs of €7,342 (CAD\$11,012). A director of the Company participated in the private placement and purchased 25,000 common shares for proceeds of €16,874 (CAD\$25,000).

On August 9, 2024, the Company completed a non-brokered private placement of 198,350 common shares at €0.67 (CAD\$1.00) per share for aggregate proceeds of €132,436 (CAD\$198,350). The Company incurred share issuance costs of €2,998 (CAD\$4,270). Directors of the Company participated in the private placement and purchased 33,500 common shares for proceeds of €22,267 (CAD\$33,350).

9. STOCK OPTIONS

On July 15, 2021, the Company's stock option plan (the "Option Plan") was approved by the Shareholders of the Company. Pursuant to the terms of the Option Plan, the Board of Directors (the "Board") may designate directors, officers, employees and consultants of the Company eligible to receive options to acquire such numbers of common shares as the Board may determine, each option so granted being for a term specified by the Board up to a maximum of five years from the date of grant. The maximum number of common shares reserved for issuance for options granted under the Option Plan at any time is 10% of the issued and outstanding common shares of the Company.

	Number of stock options	Weighted average exercise price	
		CAD	EURO
Balance, December 31, 2022	300,000	\$ 0.50	€ 0.35
Issued (i)	150,000	1.00	0.68
Balance, December 31, 2023 and December 31, 2024	450,000	\$ 0.67	€ 0.46 /€ 0.45

i) In April 2023, the Company granted 150,000 stock options to two consultants of the Company with an exercise price of €0.68 (CAD\$1.00), which vests 50% 6 months from the date of grant, and 25% every three months thereafter. The fair value of the options granted was €77,120 and was calculated using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 100% based on comparable companies; (iii) risk free rate of 3.06%; (iv) with an expected life of 5 years, and (v) share price of €0.68 (CAD\$1.00 based on recent financing). During the year ended December 31, 2024, the Company recorded share based compensation of €4,975 (December 31, 2023 - €72,145) related to the grant.

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9. STOCK OPTIONS (Continued)

The following table reflects the stock options issued and outstanding as of December 31, 2024:

Expiry Date	Weighted Average Exercise Price (CAD)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
July 18, 2026	0.50	1.55	150,000	150,000
July 21, 2026	0.50	1.55	150,000	150,000
April 11, 2028	1.00	3.28	150,000	150,000
Total	0.67	2.13	450,000	450,000

10. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted loss per share for the year ended December 31, 2024 was based on the loss attributable to common shareholders of €530,922 (year ended December 31, 2023 - €981,269) and the weighted average number of common shares outstanding of 12,984,252 (year ended December 31, 2023 - 12,121,785). Diluted loss per share did not include the effect of 450,000 options outstanding (year ended December 31, 2023 - 450,000 options outstanding) as they are anti-dilutive. The Company does not have any warrants outstanding as of December 31, 2024 and 2023.

11. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2023 - 26.5%) were as follows:

	2024	2023
	€	€
(Loss) before income taxes	(530,922)	(981,269)
Expected income tax recovery based on statutory rates	(141,000)	(260,000)
Adjustment to expected income tax recovery		
Share based compensation and non-deductible expenses	1,000	19,000
Change in benefit of tax assets not recognized	140,000	241,000
Deferred income tax provision (recovery)	-	-

b) Deferred Income Tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2024	2023
	€	€
Non-capital loss carry-forwards	4,938,000	4,598,000
Share issue costs	16,000	11,000
Mineral property costs	1,045,000	900,000
Property, plant and equipment	9,000	4,000
Total	6,008,000	5,513,000

The non-capital loss carryforwards in Canada expire between 2041 to 2044.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value measurement of financial assets and liabilities

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

Level 1 - quoted prices 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. from derived prices); and,

Level 3 - inputs for the asset or liability that are not based upon observable market data.

The carrying values of cash, accounts payable and accrued liabilities, and vehicle loan approximate their fair value due to their short-term nature, and are classified at amortized cost.

At December 31, 2024, and 2023, there were no financial assets or liabilities measured and recognized on the consolidated statements of financial position at fair value.

Risk management

The Company's activities expose it to a variety of financial risks, which include credit, liquidity and foreign exchange.

Financial risk management is carried out by the Company's management team with oversight from the Company's Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and VAT receivables. Cash is on deposit with chartered banks. Funds held in trust were held with lawyers. VAT receivables consists of sales tax receivable from government authorities in Finland. Management deems the Company's exposure to credit risk as at December 31, 2024, and 2023 to be minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Company had current assets of €133,578 (December 31, 2023 - €268,112) to settle current liabilities of €266,533 (December 31, 2023 - €155,240). The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. As at December 31, 2024, the Company had negative working capital of €132,955 (December 31, 2023 - positive working capital of €112,872). Accounts payable and accrued liabilities are generally due within 30 days.

Foreign exchange risk

The Company's operations in Canada expose the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar and Euro. The Company does not believe it is exposed to significant foreign exchange risk. A 10% fluctuation in the foreign exchange rate between the Canadian and Euro will result in a foreign exchange gain/loss of approximately €27,242. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

13. CAPITAL MANAGEMENT

The Company defines capital as share capital, contributed surplus, and deficit. The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support the acquisition, assessment and evaluation and development of mineral reclamation 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 Company is currently in the early stages of evaluation and assessment of projects; as such, the Company is dependent on external financing to fund its activities. In order to carry out the assessment and evaluation of the projects and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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 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. The Company does not have externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023.

14. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise of the directors of the Company.

During the year ended December 31, 2024, the Company incurred fees of €134,974 (year ended December 31, 2023 - €129,691) to the directors. As at December 31, 2024, the Company has a balance of €83,735 (December 31, 2023 - €18,855) outstanding to the directors which is included in accounts payable and accrued liabilities. These amounts are unsecured, non-interest bearing, and due on demand.

See notes 8 and 9.

15. CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

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16. SEGMENTED DISCLOSURE

Geographic information

The Company has one reportable segment, being the acquisition, and exploration and evaluation of mineral properties. The following table provides segmented disclosure of assets and liabilities based on geographic location:

	Finland	Ireland	Canada	Total
	€	€	€	€
December 31, 2024				
<i>Current assets</i>	18,942	75,813	38,823	133,578
<i>Non-current assets</i>				
Security deposit bonds	17,514	-	-	17,514
Equipment	12,168	1,976	-	14,144
<i>Current liabilities</i>	10,502	32,866	223,165	266,533
December 31, 2023				
<i>Current assets</i>	55,359	17,420	195,333	268,112
<i>Non-current assets</i>				
Security deposit bonds	27,512	-	-	27,512
Equipment	38,443	3,560	-	42,003
<i>Current liabilities</i>	56,362	55,015	43,863	155,240

17. PROPOSED TRANSACTION

On September 20, 2024, the Company entered into a non-binding Letter of Intent ("LOI") with 1317234 B.C. Ltd ("Shell Company"), a reporting issuer in the Provinces of British Columbia and Alberta (the "Proposed Transaction"). The Proposed Transaction would result in Gemdale Gold Inc becoming a wholly owned subsidiary of the Shell Company, with the combined entity ("Resulting Issuer") resulting from the Proposed Transaction having its common shares listed on the TSX Venture Exchange (TSX-V).

For the purposes of the Proposed Transaction, each outstanding security of Gemdale Gold Inc would be exchanged on a one for one basis for an equivalent security of the Resulting Issuer. The pre-Transaction shares in the Shell Company would be consolidated based on a ratio to be determined immediately prior to the closing of the transaction, so that the existing holders of the Shell Company would hold, in the aggregate, such number of Resulting Issuer Common Shares that when multiplied by an offering price of CAD\$1 would equal CAD\$700,000.

The Proposed Transaction is subject to various approvals including the board of directors, shareholders, the applicable security exchange. There can be no assurance that the Proposed Transaction will be completed as disclosed herein, or at all.

18. SUBSEQUENT EVENTS

On February 3, 2025, the Company completed a non-brokered private placement of 312,000 common shares at €0.67 (CAD\$1.00) per share for aggregate proceeds of €209,040 (CAD\$312,000). Directors of the Company participated in the private placement and purchased 40,000 common shares for proceeds of €26,800 (CAD\$40,000).

On 16 May, 2025, the Company completed a non-brokered private placement financing available only to existing shareholders of the Company. The financing was completed at a price of €0.26 (CAD\$0.40) per share, resulting in the issuance of 1,347,833 common shares for aggregate proceeds of €345,153 (\$539,133). Directors of the

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Company participated in the private placement and purchased 207,500 common shares for proceeds of €53,950 (CAD\$83,000).