Quimbaya Gold Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements, they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

QUIMBAYA GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	March 31, 2025	December 31, 2024
ASSETS		
Current		
Cash	$ 282,856	$ 47,354
Accounts receivable	30,673	31,390
Prepaid expenses (Note 6)	1,503,337	199,769
Total current assets	1,816,866	278,513
Exploration and evaluation assets (Note 3)	5,151,723	5,136,771
Total assets	$ 6,968,589	$ 5,415,284
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	$ 293,160	$ 416,898
Loans payable (Note 4)	15,289	14,889
Property purchase obligation (Note 3)	115,008	309,364
Convertible loans payable (Note 5)	130,255	124,565
Total liabilities	553,712	865,716
Shareholders' equity		
Share capital (Note 6)	12,989,860	9,642,385
Obligation to issue shares	36,000	248,000
Reserves (Note 7)	1,005,680	714,412
Accumulated other comprehensive loss	(65,000)	(60,592)
Deficit	(7,551,663)	(5,994,637)
Total shareholders' equity	6,414,877	4,549,568
Total liabilities and shareholders' equity	$ 6,968,589	$ 5,415,284

Nature and Going Concern (Note 1)
Subsequent Events (Notes 7 and 12)

Approved and authorized by the Board of Directors on May 29, 2025.

"Alexandre P. Boivin" Director *"Pietro JL Solari"* Director

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

QUIMBAYA GOLD INC.
CONDENSED CONSOLIDATED INTEIRM STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31,

	2025	2024
EXPENSES		
Consulting fees (Note 8)	$ 299,444	$ 85,000
Exploration expenditures (Note 3)	203,201	210,813
Filing fees and transfer agent	22,102	12,011
Foreign exchange	2,749	-
Finance expense (Note 9)	9,009	15,548
Investor relations	300,642	63,196
Marketing	11,523	64,472
Office and administration	28,596	27,702
Professional fees	100,695	105,636
Share-based payments (Note 7)	505,584	-
Travel	73,481	50,455
	(1,557,026)	(634,833)
Interest income	-	488
Net loss	(1,557,026)	(634,345)
Other comprehensive loss		
Exchange difference on translation of foreign operations	(4,408)	(7,356)
Loss and other comprehensive loss for the period	$ (1,561,434)	$ (641,701)
Basic and diluted loss per common share	$ (0.03)	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	45,425,739	27,760,902

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

QUIMBAYA GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED MARCH 31,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (1,557,026)	$ (634,345)
Unrealized foreign exchange	2,749	-
Finance expense	8,356	15,548
Share-based payments (Note 7)	505,584	-
Shares issued for services (Note 6)	-	3,425
Changes in non-cash working capital items:		
Accounts receivable	852	43,167
Accounts payable	(87,360)	226,000
Prepaid expenses	(23,692)	67,777
Net cash used in operating activities	(1,150,537)	(278,428)
CASH FLOWS FROM INVESTING ACTIVITY		
Payments for mineral concessions (Note 3)	(202,342)	-
Net cash used in investing activity	(202,342)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash (Note 6)	1,585,136	-
Share issuance costs (Note 6)	(79,560)	-
Stock options exercised	71,000	-
Loan funds received (Note 4)	135,050	270,767
Loan funds repaid (Note 4)	(106,993)	-
Net cash provided by financing activities	1,604,633	270,767
Effect of foreign exchange on cash	(16,252)	(10,793)
Change in cash for the period	235,502	(18,454)
Cash, beginning of period	47,354	20,656
Cash, end of period	$ 282,856	$ 2,202
Supplemental cash flow information		
Broker warrants issued as share issuance costs	$ 43,370	$ -
Units issued for prepaid services	1,279,480	-
Units issued for settlement of accounts payable	34,780	-
Units issued for settlement of loans payable	30,323	-

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

QUIMBAYA GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Common Shares				Accumulated Other Comprehensive		
	Number	Amounts	Obligation to issue shares	Reserves	Loss	Deficit	Total
Balance, December 31, 2023	27,757,993	$ 6,930,009	$ 75,000	$ 300,588	$ (10,219)	$ (3,011,683)	$ 4,283,695
Shares issued for services (Note 6)	7,785	3,425	-	-	-	-	3,425
Comprehensive loss for the period	-	-	-	-	(7,356)	(634,345)	(641,701)
Balance, March 31, 2024	27,765,778	6,933,434	75,000	300,588	(17,575)	(3,646,028)	3,645,419
Shares issued for services (Note 6)	842,739	287,404	-	46,788	-	-	334,192
Shares issued for mineral properties (Note 6)	274,000	137,000	-	-	-	-	137,000
Shares issued for debt settlements (Note 6)	1,449,518	654,855	-	29,883	-	-	684,738
Shares issued for cash (Note 6)	4,423,031	1,636,534	-	33,316	-	-	1,669,850
Share issue costs (Note 6)	-	(32,247)	-	10,046	-	-	(22,201)
Warrants exercised (Notes 6, 7)	42,440	25,405	-	(10,551)	-	-	14,854
Expiry of restricted share units	-	-	(75,000)	75,000	-	-	-
Vesting of restricted share units	-	-	248,000	(248,000)	-	-	-
Share-based payments (Note 7)	-	-	-	477,342	-	-	477,342
Comprehensive loss for the period	-	-	-	-	(43,017)	(2,348,609)	(2,391,626)
Balance, December 31, 2024	34,797,506	9,642,385	248,000	714,412	(60,592)	(5,994,637)	4,549,568
Units issued for prepaid services (Note 6)	4,264,934	1,279,480	-	-	-	-	1,279,480
Shares issued for stock options (Note 6)	177,500	108,386	-	(37,386)	-	-	71,000
Units issued for debt settlements (Note 6)	217,011	65,103	-	-	-	-	65,103
Units issued for cash (Note 6)	5,283,788	1,585,136	-	-	-	-	1,585,136
Share issue costs (Note 6)	-	(79,560)	-	-	-	-	(79,560)
Broker warrants (Notes 6, 7)	-	(43,370)	-	43,370	-	-	-
Issuance of shares for restricted share units	1,336,250	432,300	(248,000)	(184,300)	-	-	-
Vesting of restricted share units	-	-	36,000	(36,000)	-	-	-
Share-based payments (Note 7)	-	-	-	505,584	-	-	505,584
Comprehensive loss for the period	-	-	-	-	(4,408)	(1,557,026)	(1,561,434)
Balance, March 31, 2025	46,076,989	$ 12,989,860	$ 36,000	$ 1,005,680	$ (65,000)	$ (7,551,663)	$ 6,414,877

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

1. NATURE AND GOING CONCERN

Quimbaya Gold Inc. (the "Company") was incorporated in Canada under the Canada Business Corporations Act on May 27, 2020 and continued into British Columba under the Business Corporations Act on May 1, 2025. The Company is principally engaged in the acquisition and exploration and development of mineral properties in Colombia. The Company maintains its registered office at 3400 - 350 7th Avenue SW, Calgary, Alberta, T2P 3N9. The Company is listed on the Canadian Securities Exchange under the symbol "QIM" and OTCQB under the symbol "QIMGF".

These condensed consolidated interim financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company had working capital of $1,263,154, including prepaids of $1,503,337, (December 31,2024 – deficiency of $587,203) and accumulated deficit of $7,551,663 (December 31, 2024 - $5,994,637) as at March 31, 2025. The Company reported a net loss of $1,557,026 and negative cashflows from operations of $1,150,536 for the three months ended March 31, 2025. The Company's ability to continue as a going concern is dependent upon its ability to raise funds primarily through the issuance of shares or achieve profitable operations. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, management may be required to curtail certain expenses. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

World Events

The conflicts in Ukraine and the Middle East and the recent political tensions between the United States and many countries have contributed to significant volatility in financial and commodity markets. These ongoing events have impacted global commercial activity, including causing significant fluctuations in worldwide demand and prices for certain commodities. The duration and impact of the conflicts and political tensions and magnitude of the impact on the economy and financial effect on the Corporation is not known at this time.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statement, including IAS 34, Interim Financial Reporting. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2024, and the notes thereto.

Basis of consolidation and presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION *(cont'd…)*

Basis of consolidation and presentation *(cont'd…)*

These condensed consolidated interim financial statements include the accounts of the Company, and its subsidiaries as follows:

Company	Place of Incorporation	Effective Interest	Principal Activity	Functional currency
Golden Pacifico Exploration S.A.S. ("Golden Pacifico")	Colombia	100%	Mining exploration	Colombian peso
Explogold Ingenieria y Consultoria S.A.S. ("Explogold")	Colombia	100%	Mining exploration	Colombian peso
Minera Buey Aures S.A.S. ("Minera Buey")	Colombia	100%	Mining exploration	Colombian peso
Soluciones Ambientales Del Nordeste S.A.S. ("Nordeste")	Colombia	100%	Mining exploration	Colombian peso
Quimbaya Gold Colombia S.A.S.	Colombia	100%	Mining exploration	Colombian peso
Minera Tahamies S.A.S.	Colombia	100%	Mining exploration	Colombian peso
Inversiones Tahamies S.A.S.	Colombia	100%	Mining exploration	Colombian peso

Subsidiaries are entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

Use of judgments and estimates

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

<u>Deferred taxes</u>

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

2. BASIS OF PREPARATION *(cont'd…)*

Use of judgments and estimates *(cont'd…)*

Share-based payments

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services for share-based payments made to those other than employees or others providing similar services.

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted for share-based payments made to employees or others providing similar services. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the underlying common shares, the expected life of the share option, volatility and dividend yield and making assumptions about them.

Loans payable

Management has made estimates with respect to the market interest rate applied to the convertible loans payable (Note 5).

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Provisions

  Management's determination of no material restoration, rehabilitation and environmental exposure is based on the facts and circumstances that existed during the year.

- Functional currency

  The functional currency of the Company and its subsidiary is the currency of their respective primary economic environment. Judgement is necessary in evaluating each entity's functional currency.

- Going concern

  The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operation expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

- Mineral Properties

  The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely to arise from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

2. BASIS OF PREPARATION *(cont'd…)*

Use of judgments and estimates *(cont'd…)*

- Mineral Properties *(cont'd…)*

  Exploration and evaluation assets are reviewed for changes in facts and circumstances suggesting the carrying amount exceeds the recoverable amount at each condensed consolidated interim statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and interruptions in exploration activities. The Company's review considers the following:

  - The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
  - Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
  - 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
  - Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

- Deferred tax

  The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred taxes.

- Exploration and evaluation assets

  Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties.

- Acquisitions

  The acquisitions in Note 3 required management to make a judgment as to whether the entities constituted a business under the definitions of IFRS 3. The assessment required management to assess the inputs, processes, and ability of those entities to produce outputs at the time of acquisition. Pursuant to the assessment, the acquisition of the entities was considered an asset acquisition.

3. EXPLORATION AND EVALUATION ASSETS

Berrio Project, Colombia

On November 10, 2020, the Company entered into an asset purchase agreement ("APA") with Pacifico Holdings S.A.S. ("Pacifico Holdings") and shares purchase agreement ("SPA") with West Rock Resources Panama Corp. ("West Rock"). Pursuant to the agreements, on December 10, 2020, the Company acquired all of the issued and outstanding common shares of GPE SAS which holds the Concession Mining Contact No. 6822 in the Antioquia region of Colombia (the "Berrio Project"). The Company paid total cash consideration of $185,579 to Pacifico Holdings and West Rock for GPE SAS and certain related historic drill core with respect to the Berrio Project. Both agreements are with unrelated parties.

In the year ended December 31, 2022, the Company acquired by application three additional claims in the Antioquia region of Colombia.

Tahami and Maitamac Projects, Colombia

On December 21, 2023, the Company acquired all the issued and outstanding shares of Explogold, Minera Buey and Nordeste (collectively, the "Companies") by way of share purchase agreements from Remandes Corporation S.A. ("Remandes") (the "Transaction").

Pursuant to the Transaction, the Company acquired the Tahami and Maitamac Projects in Colombia held by the Companies:

- The Tahami Project consists of two titles covering approximately 622 hectares and is located 158 kilometers northeast of Medellin in the Segovia-Remedios mining district of Antioquia. A portion of the purchase price will be held back pending the successful transfer of certain mining applications covering a total aggregate area of approximately 2,494.4 hectares.

- The Maitamac Project consists of 6 mining applications covering approximately 26,102 Ha and is located 45 km southwest of Medellín in the Abejorral and Sonson municipalities.

The Transaction was executed as three (3) separate share purchase agreements among the Company, Remandes and each of the Companies. The purchase price payable by the Company for all of the issued and outstanding shares of the Companies (the "Purchase Price") was satisfied by:

(i) the payment to Remandes of a deposit in the amount of US$100,000 (paid - $136,012); and
(ii) the issuance of 10,000,000 shares in the share capital of the Company to Remandes (the "Consideration Shares"). The Consideration Shares are subject to a 24-month contractual escrow arrangement.

The Transaction was a related party transaction as Alexandre P. Boivin, President and CEO of Quimbaya, is a control person of Remandes.

In the year ended December 31, 2024, the Company entered into two agreements to acquire additional claims in the Tahami Project:

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Tahami and Maitamac Projects, Colombia *(cont'd…)*

The Company acquired one concession with the acquisition of Inversiones Tahamies S.A.S. for total consideration of US$205,000 of which the Company has paid US$125,000 and will pay the balance of US$80,000 by May 17, 2025. This payment is pending.

The Company acquired four concessions with the acquisition of Minera Tahamies S.A.S. for total consideration of US$400,000 of which the Company has paid US$100,000 and issued 274,000 common shares valued at US$100,000 ($137,000). The Company was due to pay US$100,000 on or before the six month anniversary (November 8, 2024) and the balance of US$100,000 on or before the first anniversary of the purchase agreement (May 10, 2025). Subsequent to December 31, 2024, the Company renegotiated the payments to reduce the payable to a one-time payment of US$135,000 which was completed.

The acquisition of the entities has been accounted for as an acquisition of net assets, rather than a business combination, as the net assets acquired did not represent a separate business operation. The entities had no other assets or liabilities than the concession titles. Total property purchase obligations as at March 31, 2025 was $115,008 (US$80,000).

Exploration and evaluation assets

The Company's exploration and evaluation assets are summarized as follows:

	Berrio Project	Tahami Project	Maitamac Project	Total
Balance, December 31, 2023	$ 185,579	$ 3,834,628	$ 382,703	$ 4,402,910
Acquired	-	748,583	-	748,583
Foreign exchange translation	-	(14,722)	-	(14,722)
Balance, December 31, 2024	$ 185,579	$ 4,568,489	$ 382,703	$ 5,136,771
Foreign exchange translation	-	14,952	-	14,952
Balance, March 31, 2025	$ 185,579	$ 4,583,441	$ 382,703	$ 5,151,723

Exploration Expenditures

The Company expended the following exploration and evaluation expenditures on the Tahami Project:

For the three months ended March 31, 2025	Tahami Project	Total
Consulting	$ 34,722	$ 34,722
Database	24,951	24,951
Field expenditures	22,712	22,712
Geological	61,938	61,938
Labour	58,878	58,878
Total expenditures for the period	$ 203,201	$ 203,201

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS *(cont'd…)*

Exploration Expenditures *(cont'd…)*

For the three months ended March 31, 2024	Tahami Project	Total
Consulting	$ 44,295	$ 44,295
Field expenditures	7,558	7,558
Geological	41,669	41,669
Labour	79,896	79,896
Materials	10,679	10,679
Shipping	8,840	8,840
Travel	17,876	17,876
Total expenditures for the period	$ 210,813	$ 210,813

4. LOANS PAYABLE

In the period ended March 31, 2025, the Company borrowed:

a) $75,050 from the CFO of the Company, accruing interest at a rate of 12% per annum. The Company repaid the balance and accrued interest in the amount of $76,628 in the period.
b) $60,000 from various third parties, accruing interest at a rate of 12% per annum. These loans and accrued interest were repaid in the three months ended March 31, 2025. $30,365 was repaid with cash and $30,323 was settled with the issuance of units (Note 6).

In the year ended December 31, 2024, the Company borrowed:

c) $39,500 from the CFO of the Company, accruing interest at a rate of 12% per annum and maturing on December 31, 2024. The Company settled $10,224 with the issuance of common share units and repaid the balance of $77,341 (Note 6).
d) $140,000 from an unrelated party, accruing interest at a rate of 12% per annum and maturing on April 30, 2024. In the year ended December 31, 2024, the Company settled the balance of $145,168 with the issuance of common shares units (Note 6).
e) $193,448 from the CEO of the Company, accruing interest at a rate of 12% per annum and maturing on December 31, 2024. In the year ended December 31, 2024, the Company settled the loan and accrued interest in the amount of $198,809 with the issuance of common shares units (Note 6).
f) $27,000 from a director of the Company, accruing interest at a rate of 12% per annum and maturing on December 31, 2024. The Company settled half the outstanding balance equal to $13,868 with the issuance of common share units (Note 6).
g) $80,000 from various third parties, accruing interest at a rate of 12% per annum and maturing on December 31, 2024. These loans and accrued interest were repaid in the year ended December 31, 2024.

The loans are unsecured.

(Expressed in Canadian Dollars)

4. LOANS PAYABLE *(cont'd…)*

A summary of the movements of the loans payable is as follows:

Loans payable		March 31, 2025		December 31, 2024
Balance, beginning of the period	$	14,889	$	40,309
Interest accrued		2,666		22,319
Funds repaid		(106,993)		(159,618)
Loans settled with common share units (Note 6)		(30,323)		(368,069)
Funds received as loans		135,050		479,948
Balance, end of period	$	15,289	$	14,889

5. CONVERTIBLE DEBENTURES

In the year ended December 31, 2023, the Company entered into a convertible loan facility for total proceeds of $280,000 with a former director of the Company ("Loan Facility"). The convertible loans accrued interest at a rate of 10% per annum and were convertible into common shares, along with accrued interest, at the option of the holder at a conversion price of $0.50 per common share. The Company received funds of $135,000 on May 11, 2023, and a further $145,000 on June 9, 2023. The convertible loans mature two years from the date of issuance.

After valuing the financial liability component of the convertible debentures, a residual value was assigned to the conversion feature. The Company considered the market interest rate for comparable entities and instruments in the market. The Company has estimated that comparable instruments would bear an interest rate of 18%.

In September 2023, the Company repaid $150,000 to the lender against principal of the convertible loans. On November 28, 2023, the lender and Company agreed to accrue interest at a rate of 12% of annum.

In December 2023, the Company borrowed an additional $100,000 accruing interest at a rate of 12%. All balances mature two years from the date of the first issuance under the facility on May 9, 2025.

In the year ended December 31, 2024, the Company issued 273,574 common share units in settlement of $115,000 in principal and $13,215 of accrued interest (Note 7). A loss on settlement of $16,801 was recognized.

A summary of the movements of the convertible debentures is as follows:

Convertible debentures		March 31, 2025		December 31, 2024
Balance, beginning of period	$	124,565	$	208,381
Accretion expense		2,240		8,623
Interest accrued		3,450		18,975
Settled with the issuance of common share units (Note 6)		-		(111,414)
Balance, end of period	$	130,255	$	124,565

6. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

Three months March ended 31, 2025

In the three months ended March 31, 2025, the Company:

a) completed a tranche private placement of 5,770,799 units of the Company ("Units"), at a price of $0.30 per Unit, for aggregate value of $1,732,123, inclusive of both traditional private placement funds and shares for debt/previous services (the "Private Placement").

   a. 5,283,788 Units were issued for cash for gross proceeds of $1,585,136;
   b. 217,011 Units were issued in settlement of debts (Note 4); and
   c. 270,000 Units were issued for services.

   Each Unit was composed of one common share of the Company and one share purchase warrant. Each warrant is exercisable to purchase one additional common share for a period of two years from the date of closing of the private placement at an exercise price of $0.40 per warrant.

   The Company paid a finder's fee of 212,666 finder's warrants, which have a two-year term from closing and an exercise price of $0.40. The finder's warrants were valued at $0.20 per warrant for a total value of $43,370.

b) entered into a drilling agreement, agreeing to compensate contractors entirely in equity through the issuance of 3,994,934 Units at $0.30, each consisting of one common share and one warrant exercisable at $0.40 for two years. The drilling units are held in escrow with Olympia Trust Company. As at March 31, 2025, no Units had been released from escrow and the value of $1,198,480 is included in prepaid expenses.

Year ended December 31, 2024

In the year ended December 31, 2024, the Company:

c) issued 7,785 common shares at a price of $0.44 per common share valued at $3,425 in settlement of services rendered.

d) issued 1,057,140 common share units consisting of one common share and one-half common share purchase warrant to settle liabilities totalling $528,570. Each whole unit warrant is exercisable for a period of one year at an exercise price of $0.75. Amounts settled included $150,000 in accounts payable, $250,355 of loan principal and accrued interest (Note 5) and $128,215 of convertible debentures (Note 6).

e) issued 1,425,000 common share units consisting of one common share and one-half common share purchase warrant at a price of $0.50 per unit for gross proceeds of $712,500. Each whole unit warrant is exercisable for a period of one year at an exercise price of $0.75.

f) issued 274,000 common shares valued at $0.50 pursuant to the acquisition of mineral property concessions (Note 4).

g) issued 42,440 common shares for warrants exercised for proceeds of $14,854.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd…)

Year ended December 31, 2024 (cont'd…)

h) completed a tranche private placement of 696,548 units of the Company, at a price of $0.50 per unit, for aggregate value of $348,274. Of the private placement, $144,850 was received in cash proceeds and $203,424 was issued as shares for services. Each unit was composed of one common share and one-half share purchase warrant. Each warrant is exercisable for a period of one year at an exercise price of $0.75 per warrant. The warrants were assigned a residual value of $80,103 or $0.23 per whole warrant. The Company paid a finder's fee of 43,680 finder's warrants, which have a one-year term from closing and an exercise price of $0.75. The finder's warrants were valued at $0.23 per warrant for a total value of $10,046.

i) Issued 3,536,600 units at a price of $0.30 per unit for aggregate value of $1,060,980. Each unit was composed of one common share and one share purchase warrant. Each warrant is exercisable for a period of two years at an exercise price of $0.40. The value of each share unit matched the share price on the grant date. Consequently, the value of the entire unit price was assigned to the shares, leaving no residual value for the warrants.

   a. 2,708,331 units were issued for cash for gross proceeds of $812,499;
   b. 392,378 units were issued in settlement of debts (Note 4); and
   c. 435,891 units were issued for services rendered.

7. RESERVES

Securities Based Compensation Arrangements

The Company has a stock option plan ("Option Plan") and a restricted share unit plan ("RSU Plan") in place that allows for aggregate issuances which do not exceed 10% of the issued and outstanding common shares at each date of grant.

Stock Options

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2023	150,000	$	0.35
Granted	1,500,000		0.40
Expired	(100,000)		0.35
Balance outstanding, December 31, 2024	1,550,000	$	0.40
Granted	900,000		0.40
Exercised	(177,500)		0.40
Balance outstanding, March 31, 2025	2,272,500	$	0.40
Balance exercisable, March 31, 2025	1,422,500	$	0.40

(Expressed in Canadian Dollars)

7. RESERVES *(cont'd…)*

Stock options outstanding as at March 31, 2025:

	Number outstanding		Number exercisable	Exercise price	Expiry date
Options	50,000		50,000	$ 0.35	May 24, 2025
	500,000		-	0.40	October 26, 2026
	450,000		225,000	0.40	November 18, 2026
	122,500	(1)	122,500	0.40	November 19, 2026
	250,000		125,000	0.40	November 27, 2026
	900,000		900,000	0.40	February 28, 2027

(1) Exercised subsequent to March 31, 2025

As at March 31, 2025, the outstanding stock options had a weighted average remaining life of 1.70 years (December 31, 2024 – 1.82) years.

Restricted Share Units

	Number of RSUs	Weighted Average Grant Date Price
Balance outstanding, December 31,2023	214,285	$ 0.35
Granted	1,550,000	0.32
Cancelled	(214,285)	0.35
Balance outstanding, December 31,2024	1,550,000	0.32
Granted	636,250	0.36
Exercised	(1,336,250)	0.25
Cancelled	(250,000)	0.33
Balance outstanding, March 31, 2025	600,000	$ 0.35
Balance vested, March 31, 2025	100,000	$ 0.36

Share-based payments

During the three months ended March 31, 2025, the Company granted 900,000 (2024 - nil) stock options with a weighted average fair value of $0.24 (2024 - $nil) per option. The Company recognized share-based payments expense of $289,555 (2024 - $nil) for options granted and vesting during the three months ended March 31, 2025.

Share-based payments expense with respect to stock options is estimated using the following assumptions: The expected volatility assumption was determined through the comparison of historical share price volatilities used by similar publicly listed companies. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares.

(Expressed in Canadian Dollars)

7. RESERVES *(cont'd…)*

Share-based payments (cont'd…)

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the period:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Share price	$ 0.36	$ -
Risk-free interest rate	2.57%	-
Expected life of options	2 years	-
Expected annualized volatility	138.4%	-
Dividend rate	0%	-
Forfeiture rate	-	-

As the performance conditions of the RSU granted were not market-related, the fair value per RSU used to calculate compensation expense for the RSU granted is determined to be equal to the market price on the date of grant as determined by recent subscription prices for the Company's common shares paid by third parties. The Company recognized share-based payments expense with respect to RSUs granted and vesting of $287,590 (2024 - $nil) in the three months ended March 31, 2025.

Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2023	42,440	$ 0.35
Granted	5,169,624	0.51
Cancelled	(42,440)	0.35
Balance outstanding, December 31, 2024	5,169,624	0.51
Granted	9,978,399	0.40
Balance outstanding, March 31, 2025	15,148,023	$ 0.44
Balance exercisable, March 31, 2025	11,153,089	$ 0.45

Warrants outstanding as at March 31, 2025:

	Number outstanding		Number exercisable	Exercise price	Expiry date
Warrants	43,680		43,680	$ 0.75	November 1, 2025
	1,241,070	(1)	1,241,070	0.75	June 5, 2026
	348,274	(2)	348,274	0.75	November 1, 2026
	1,364,935		1,364,935	0.40	December 11, 2026
	2,171,665		2,171,665	0.40	December 20, 2026
	3,348,466		3,348,466	0.40	February 14, 2027
	2,634,999		2,634,999	0.40	February 26, 2027
	3,994,934		-	0.40	March 14, 2027

(1) Extended from June 5, 2025 to June 5, 2026 in the period.

(2) Extended from November 1, 2025 to November 1, 2026 in the period.

As at March 31, 2025, the outstanding warrants had a weighted average remaining life of 1.80 years (December 31, 2024 – 1.51 years).

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

Key management personnel include the President, Chief Financial Officer, and Directors of the Company. The remuneration of the key management personnel is as follows:

Payments to key management personnel	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Consulting fees	$ 60,000	$ 70,000
Accounting fees	15,000	15,000

The Transaction as detailed in Note 3 was a related party transaction. Certain loans payable detailed in Note 4 were transacted with directors and officers of the Company. The convertible debentures are due to a former director of the company (Note 5). In the year ended December 31, 2024, the Company settled $150,000 of accounts payable, $222,901 of loans payable and $128,215 of convertible debentures with related parties with common share units (Note 5).

As at March 31, 2025, accounts payable and accrued liabilities of $5,295 (December 31, 2024 - $48,859) was due to related parties.

9. FINANCE EXPENSE

	For the three months ended March 31, 2025	For the three months March 31, 2024
Accretion of equity feature (Note 5)	$ 2,240	$ 2,619
Coupon interest on convertible debt (Note 5)	3,450	6,900
Interest on accounts payable	653	-
Coupon interest on loans (Note 4)	2,666	6,029
Total expense for the period	$ 9,009	$ 15,548

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash, accounts receivables, accounts payable and loans payable are carried at amortized cost. The Company considers that the carrying amount of cash, accounts receivable and accounts payable measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. The fair value of the loans payable and accrued interest are disclosed in Note 4. The undiscounted value of the convertible debentures (Note 5) as at March 31, 2025 was $140,290.

Financial risk factors

Credit risk

The Company is exposed to credit risk relative to the liquidity of cash, amounting to $282,856 at March 31, 2025 (December 31,2024 – $47,354). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, the credit risk is considered by management to be negligible. As at March 31, 2025, the Company had an immaterial amount of cash balances in Colombia.

The Company is exposed to credit risk with respect to the loan receivable. The Company believes the carrying amount of loan is recoverable as the debtor is in bankruptcy proceedings.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd…)*

Financial risk factors *(cont'd…)*

Liquidity risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. As at March 31, 2025, the Company had positive working capital of $1,263,154 (December 31, 2024 – deficiency of $587,203). The Company's financial obligations include accounts payable and loans payable, which have contractual maturities of less than a year and the non-current convertible debentures which mature in fiscal 2025.

Interest rate risk

The Company's financial asset exposed to interest rate risk consists of cash. At March 31, 2025, the Company maintained all of its cash balance on deposit with a major Canadian bank with no expectation of interest rate returns or impact. Interest-bearing debts are at fixed rates with the financial impact known at the time of execution.

Foreign currency risk

The Company operates in Colombia and is therefore exposed to foreign exchange risk arising from transactions denominated in the Colombian peso ("COP$"). The Company's financial assets and liabilities are held in COP$ and are therefore subject to fluctuation against the Canadian dollar, its reporting currency. The Company has no program in place for hedging foreign currency risk.

11. CAPITAL MANAGEMENT

The Company's capital management objective is to maintain financial capacity that is strong to sustain the future development of the business.

The Company's capital structure includes shareholders' equity of $6,414,877 (December 31,2024 – $4,549,568). The Company manages its capital structure to maximize its financial flexibility to adjust to changes in economic conditions. The Company is not subject to externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period ended March 31, 2025.