GUARDIAN EXPLORATION INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(unaudited)

NOTICE OF DISCLOSURE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Corporation's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GUARDIAN EXPLORATION INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2025 AND DECEMBER 31, 2024
(unaudited)
(All amounts in Canadian dollars unless indicated otherwise)

		March 31, 2025		December 31, 2024
Assets				
Current assets				
Cash	**$**	**-**	$	-
Amounts receivable	**$**	**22,256**	$	26,142
Deposits and prepaid expenses	**$**	**16,757**	$	20,316
	$	**39,013**	$	46,458
Deposits (Note 4)	**$**	**116,000**	$	116,000
Property and equipment (Note 5)	**$**	**370,130**	$	370,130
Total assets	**$**	**525,143**	$	532,588
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**525,135**	$	504,441
Loans from related parties (Note 6)	**$**	**1,205,702**	$	1,127,022
	$	**1,730,837**	$	1,631,463
Decommissioning liabilities (Note 7)	**$**	**114,073**	$	111,573
Total liabilities	**$**	**1,844,910**	$	1,743,036
Shareholders' deficiency				
Share capital (Note 8)	**$**	**17,876,561**	$	17,876,561
Contributed surplus (Note 8)	**$**	**6,009,521**	$	5,963,078
Deficit	**$**	**(25,205,849)**	$	(25,050,087)
Total shareholders' deficiency	**$**	**(1,319,767)**	$	(1,210,448)
Total liabilities and shareholders' deficiency	**$**	**525,143**	$	532,588

Going concern (Note 1)
Commitments and contingencies (Note 9)
Letter of intent (Note 13)
Subsequent event (Note 14)

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

Approved on behalf of the Board of Directors.

"Graydon Kowal"
Graydon Kowal
Director

"Kevin Flaherty"
Kevin Flaherty
Director

GUARDIAN EXPLORATION INC.
INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(unaudited)
(All amounts in Canadian dollars unless indicated otherwise)

Three Months Ended		**March 31, 2025**		March 31, 2024
Expenses				
Operating	**$**	**3,196**	$	122,030
General and administrative	**$**	**103,623**	$	118,739
Accretion (Note 7)	**$**	**2,500**	$	2,500
Interest income	**$**	**-**	$	(224)
Share-based compensation (Note 8)	**$**	**46,443**	$	-
	$	**155,762**	$	243,045
Net loss and comprehensive loss	**$**	**(155,762)**	$	(243,045)
Net loss per share				
Basic and diluted (Note 8)	**$**	**(0.00)**	$	(0.00)

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

GUARDIAN EXPLORATION INC.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND THE YEAR ENDED DECEMBER 31, 2024
(unaudited)
(All amounts in Canadian dollars unless indicated otherwise)

		March 31, 2025		December 31, 2024
Share capital				
Balance, beginning of period / year	**$**	**17,876,561**	$	17,876,561
Balance, end of period / year	**$**	**17,876,561**	$	17,876,561
Warrants				
Balance, beginning of period / year	**$**	**-**	$	160,655
Expiry of warrants (Note 8)	**$**	**-**	$	(160,655)
Balance, end of period / year	**$**	**-**	$	-
Contributed surplus				
Balance, beginning of period / year	**$**	**5,963,078**	$	5,760,551
Expiry of warrants (Note 8)	**$**	**-**	$	160,655
Share-based compensation (Note 8)	**$**	**46,443**	$	41,872
Balance, end of period / year	**$**	**6,009,521**	$	5,963,078
Deficit				
Balance, beginning of period / year	**$**	**(25,050,087)**	$	(24,495,438)
Net loss for the period / year	**$**	**(155,762)**	$	(554,649)
Balance, end of period / year	**$**	**(25,205,849)**	$	(25,050,087)
Total shareholders' deficiency	**$**	**(1,319,767)**	$	(1,210,448)

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

GUARDIAN EXPLORATION INC.
INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(unaudited)
(All amounts in Canadian dollars unless indicated otherwise)

Three Months Ended		**March 31, 2025**		March 31, 2024
Cash flows provided by (used in):				
Operating activities				
Net loss	**$**	**(155,762)**	$	(243,045)
Items not affecting cash:				
Accretion and changes in estimate (Note 7)	**$**	**2,500**	$	2,500
Share-based compensation (Note 8)	**$**	**46,443**	$	-
Payment of decommissioning liabilities (Note 7)	**$**	**-**	$	(6,737)
Changes in non-cash working capital (Note 11)	**$**	**28,139**	$	111,416
Cash used in operating activities	**$**	**(78,680)**	$	(135,866)
Financing activities				
Net proceeds on loans from related parties (Note 6)	**$**	**78,680**	$	128,277
Cash provided by financing activities	**$**	**78,680**	$	128,277
Change in cash	**$**	**-**	$	(7,589)
Cash, beginning of period	**$**	**-**	$	9,513
Cash, end of period	**$**	**-**	$	1,924

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

1. GENERAL BUSINESS DESCRIPTION AND ABILITY TO CONTINUE AS A GOING CONCERN

Guardian Exploration Inc. (the “Corporation”) is engaged in the exploration and development of oil, natural gas and mineral properties in Western North America. The Corporation’s registered office is 1250, 639 – 5th Avenue SW, Calgary, Alberta, Canada and the principal place of business is 538 Hurricane Drive, Calgary, Alberta, Canada, T3Z 3S8. The Corporation is listed on the TSX Venture Exchange under the trading symbol “GX” as well as on the Frankfurt Exchange (Frankfurt: R6B) and the OTCQB marketplace (OTC: GXUSF).

Going concern

These interim financial statements as at and for the three months ended March 31, 2025 and 2024 have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Corporation will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

For the three months ended March 31, 2025, the Corporation reported a net loss of $155,762 (2024 - $243,045), and negative cash flows from operations of $78,680 (2024 - $135,866) and as at March 31, 2025, the Corporation had a working capital deficiency of $1,691,824 (December 31, 2024 - $1,585,005). These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation’s ability to continue as a going concern. If the going concern assumption is not appropriate, adjustments may be necessary to the carrying amounts and classification of the Corporation’s assets and liabilities. These financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

(a) Statement of compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee and should be read in conjunction with the Corporation’s last annual audited financial statements as at and for the years ended December 31, 2024 and 2023. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Corporation’s financial position and performance since the last annual financial statements.

These financial statements were approved and authorized for issue by the Board of Directors on April 22, 2025.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies.

(c) Functional and presentation currency

These financial statements have been presented in Canadian dollars, which is the Corporation’s functional currency.

(d) Significant accounting judgments, estimates and assumptions

The timely preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, as at the reporting date and the reported amounts of revenues and expenses during the year. Accordingly, actual results may differ from these estimates. Estimates and judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following sets forth management's significant judgments, estimates and assumptions made in the preparation of these financial statements:

Critical judgments in applying accounting policies

The following are the critical judgments that management has made in the process of applying the Corporation's accounting policies and that have the most significant effect on the amounts recognized in these financial statements:

(i) Going concern

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

(ii) Identification of cash-generating units

Property and equipment is aggregated into cash-generating-units ("CGUs") based on the ability to generate largely independent cash flows and are used for impairment testing. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructures and the way in which management monitors the Corporation's operations.

(iii) Impairment of petroleum and natural gas assets

Judgments are required to assess when impairment indicators, or reversal indicators, exist and impairment testing is required. The recoverable amount of CGUs and individual assets is determined based on the higher of fair value less costs to sell or value-in-use calculations. The key estimates the Corporation applies in determining the recoverable amount normally include estimated future commodity prices, expected production volumes, future operating and development costs, discount rates, tax rates, and refining margins. In determining the recoverable amount, management may also be required to make judgments regarding the likelihood of the occurrence of a future event. Changes to these estimates and judgments will affect the recoverable amounts of CGUs and individual assets and may then require a material adjustment to their related carrying value.

(iv) Deferred taxes

Judgments are made by management to determine the likelihood of whether deferred tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit and loss in the period in which the change occurs.

Key sources of estimation uncertainty:

The following are the key estimates and their assumptions concerning the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

(i) Decommissioning liabilities

The calculation of decommissioning liabilities and related accretion expense includes management's estimates of current risk-free interest rates, future inflation rates, future restoration and reclamation expenditures and the timing of those expenditures. In most instances, removal of assets occurs many years in the future.

(ii) Taxes

The amounts recorded for deferred tax assets are based on management's estimate as to the timing of the reversal of temporary differences and tax rates currently substantively enacted and the likelihood of tax assets being realized. The availability of tax pools and other deductions are subject to audit and interpretation by taxation authorities.

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies below have been applied consistently to all periods presented in these financial statements.

(a) Cash

Cash consists of balances on deposit with financial institutions.

(b) Exploration and evaluation expenditures

The Company capitalizes the cost of acquiring exploration and evaluation assets to property and equipment. Expenses related to exploration and development of exploration and evaluation assets are expenses through the statement of loss and comprehensive loss. Such costs, include, but are not limited to, geological can geophysical studies, exploratory drilling and sampling.

(c) Decommissioning liabilities

The Corporation's core activities give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category unless it arises from the normal course of production activities, in which case it is recognized in profit or loss.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation timing or change in discount rates. The increase in the provision due to the passage of time is recognized as accretion expense whereas increases/decreases due to changes in the estimated future cash flows are capitalized (unless the obligating event was related to production activities). Actual costs incurred upon settlement of the site restoration obligation are charged against the provision to the extent the provision was established.

The interest rate used to discount future costs is a risk-free rate over the period to when the costs are expected to be incurred.

(d) Impairment of non-financial assets

The carrying amounts of the Corporation's non-financial assets are reviewed for indicators of impairment and facts and circumstances that suggest that the carrying amount exceeds the recoverable amount at each reporting date. If indicators of impairment exist, the recoverable amount of the asset is estimated to determine the amount of impairment.

For the purposes of assessing impairment, property and equipment are grouped into CGUs defined as the lowest levels for which there are separately identifiable independent cash inflows.

The recoverable amount of a CGU is the greater of its fair value less costs of disposal and its value in use. Fair value is determined to be the amount for which the asset could be sold in an arm's length transaction between knowledgeable and willing parties. Fair value less costs of disposal may be determined using discounted future net cash flows of proved and probable reserves using forecast prices and costs and including future development costs. These cash flows are discounted at an appropriate discount rate which would be applied by a market participant. Value in use is determined by estimating the present value of the future net cash flows to be derived from the continued use of the cash-generating unit in its present form. These cash flows are discounted at a rate based on the time value of money and risks specific to the CGU.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. An impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. Impairment losses are recognized in profit or loss in the period in which they are determined.

The fair value less costs of disposal values used to determine the recoverable amounts of property and equipment are classified as Level 3 fair value measurements as they are not based on observable market data.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment loss had been recognized.

(e) Provisions and contingent liabilities

Provisions are recognized by the Corporation when it has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of that obligation. Provisions are stated at the present value of the expenditure expected to settle the obligation. The obligation is not recorded and is disclosed as a contingent liability if it is not probable that an outflow will be required, if the amount cannot be estimated reliably or if the existence of the outflow can only be confirmed by the occurrence of a future event.

(f) Taxes

Taxes are comprised of current and deferred taxes. Tax expense (recovery) is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss. Current taxes are the expected taxes payable on the taxable income for the year plus any adjustment to taxes payable in respect of previous years.

Deferred taxes are recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences including carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred taxes are not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). In addition, deferred taxes are not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(g) Flow-through shares

Under Canadian income tax legislation, a corporation is permitted to issue shares whereby the Corporation agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. To account for flow-through shares, the Corporation allocates total proceeds from the issuance of flow-through shares between the offering of shares and the sale of tax benefits.

The total amount allocated to the offering of shares is based on the quoted price of the underlying shares. In situations where there is an absence of compelling evidence supporting a comparable value of the underlying shares, the Corporation allocates management's estimate of the prevailing flow-through premium in current market conditions at the time of issuance to the sale of tax benefits. The amount which is allocated to the sale of tax benefits is recorded as a liability and is reversed proportionately and recognized as after-tax income when the tax benefits are renounced. The tax effect of the renunciation is recorded at the time the Corporation makes the renunciation, which may differ from the effective date of renunciation and on renunciation the value of the tax assets renounced is recorded as a deferred tax expense.

(h) Loss per share

Loss per share is calculated by dividing loss by the weighted average number of common shares outstanding during the period. In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In periods where a net loss is reported all outstanding options, warrants and other convertible instruments are excluded from the calculation of diluted loss per share, as they are all anti-dilutive.

(i) Share-based compensation

Share options granted to directors, officers, employees and consultants of the Corporation are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of the option at the grant date using the Black-Scholes option pricing model.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When share options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

The Corporation measures share-based payments to non-employees at the fair value of the goods or services received at the date of receipt of the goods or services. If the fair value of the goods or services cannot be measured reliably, the value of the options is measured using the Black-Scholes option pricing model.

(j) Financial instruments

The following table summarizes the classification of the Corporation’s financial instruments under IFRS 9 Financial Instruments (“IFRS 9”):

Financial instrument	Classification
Cash	FVTPL
Prepaids	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans from related parties	Amortized cost

<u>Financial assets</u>

The classification of financial assets is based on the Corporation’s assessment of its business model for holding financial assets and the contractual terms of the cash flows. The classification categories are as follows:

- Financial assets measured at amortized cost: assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through other comprehensive income (“FVOCI”): assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss (“FVTPL”): assets that do not meet the criteria for amortized cost or FVOCI.

- Financial assets are initially measured a fair value and are subsequently measured at amortized cost using the effective interest method, or at FVOCI or at FVTPL.

- Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred.

<u>Financial liabilities</u>

The classification of financial liabilities is determined by the Corporation at initial recognition. The classification categories are as follows:

- Financial liabilities measured at amortized cost: financial liabilities initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in the statements of loss and comprehensive loss.

- Financial liabilities measured at FVTPL: financial liabilities measured at fair value with changes in fair value and interest expense recognized in the statements of loss and comprehensive loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statements of loss and comprehensive loss.

<u>Impairment of financial assets</u>

At each reporting date, the Corporation assesses whether a financial asset or group of financial assets is impaired under the expected credit loss (“ECL”) model. Loss allowances are measured based on (i) ECLs that result from possible default events within the 12 months after the reporting date (“12-month ECL”), or (ii) ECLs that result from all possible default events over the expected life of a financial instrument (“lifetime ECLs”).

For short-term trade and other receivables, the Corporation applies the simplified approach and has calculated ECLs based on lifetime ECLs. Where information exists, the Corporation establishes a loss rate based on historical normalized credit loss experience. The loss rate is based on the payment profiles and aging of trade receivables and is adjusted to reflect current and forward-looking information on macroeconomic factors.

The amortized cost of the financial asset is reduced by impairment losses at an amount equal to the lifetime expected credit losses. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amounts of the assets and the loss is recognized in the statements of loss and comprehensive loss. When a trade receivable is uncollectible, it is written off against the allowance for doubtful accounts.

(k) Equity instruments

The Corporation’s outstanding common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(All amounts in Canadian dollars unless indicated otherwise)

(l) Joint arrangements

A portion of the Corporation's exploration activities is conducted jointly with others whereby the Corporation enters into agreements that provide for specified percentage interests in petroleum and natural gas properties and exploration and evaluation assets. These joint arrangements are classified as either a joint operation or a joint venture depending on the rights and obligations of the parties to the arrangement. Joint operations are accounted for by recognizing the Corporation's share of any assets, liabilities, revenue and expenses of the joint operation and joint ventures are accounted for using the equity method.

4. DEPOSITS

Deposits include an abandonment and reclamation deposit in the amount of $116,000 (December 31, 2024 - $116,000) with the British Columbia Oil and Gas Commission.

5. PROPERY AND EQUIPMENT

		Mining Assets		**Total**
Cost				
Balance at December 31, 2022	$	370,130	$	370,130
Additions	$	-	$	-
Balance at December 31, 2023	$	370,130	$	370,130
Additions	$	-	$	-
Balance at December 31, 2024	$	370,130	$	370,130
Additions	$	-	$	-
Balance at March 31, 2025	$	**370,130**	$	**370,130**
Accumulated depreciation				
Balance at December 31, 2022	$	-	$	-
Balance at December 31, 2023	$	-	$	-
Balance at December 31, 2024	$	-	$	-
Balance at March 31, 2025	$	-	$	-
Net book value:				
At December 31, 2022	$	370,130	$	370,130
At December 31, 2023	$	370,130	$	370,130
At December 31, 2024	$	370,130	$	370,130
At March 31, 2025	$	**370,130**	$	**370,130**

On February 26, 2021, the Corporation completed the acquisition (the "Acquisition") from DG Resources Management Ltd. ("DGM") and Graydon Kowal ("Kowal" and together with DGM, the "Vendors") of their interests in and to a mining property known as the Mount Cameron Property located in the Mayo Mining District in the Yukon (the "Assets").

In consideration for the Assets, the Corporation issued 4,000,000 Common Shares in the share capital of the Corporation to the Vendors and a 2% Net Smelter Royalty, which Net Smelter Royalty shall be repurchaseable by the Corporation from the Vendors at a price of $1,000,000 for a period of five years. The Corporation also assumed debt in the amount of $50,000 owed by Graydon Kowal to Dahrouge Geological Consulting Ltd. (an affiliate of DGM) and debt in the amount of $10,000 owed by DGM to Dahrouge Geological Consulting Ltd. (the "Debt Assumption"). The debt assumed by the Corporation bears no interest and is payable in increments of $15,000 semi-annually until repaid. During the year ended December 31, 2021, Graydon Kowal assumed the Debt in exchange for a non-interest-bearing promissory note.

In conjunction with the Acquisition, the Corporation completed a private placement as described in Note 8. The Corporation used the proceeds from the private placement to fund the proposed work program for the

(All amounts in Canadian dollars unless indicated otherwise)

Assets. Proceeds were used for expenditures which qualify as "Canadian exploration expenses" ("CEE") and "flow-through mining expenditures" both within the meaning of the Income Tax Act (Canada). The Corporation renounced such CEE in accordance with the rules and regulations of the Income Tax Act (Canada).

On February 4, 2022, the Corporation announced that it executed an agreement (the “Asset Purchase Agreement”) with Dennis Moore (“Moore”) for the purchase (the “Acquisition”) of Moore’s interests in certain mineral claims primarily located within the Tongass National Forest, Alaska, USA, known to the parties as the Kaigani claims (the “Assets”). The purchase price for the Assets will be satisfied through issuance of 1,000,000 Common Shares in the share capital of the Corporation, a cash payment of US$35,000 and a 1.5% Net Smelter Royalty. The Corporation is entitled to buy back one-half of the Net Smelter Royalty at a price of US$1,500,000 for a period of five years or 120 days from the date a preliminary economic assessment is issued with respect to the claims, whichever is earlier. In the event that a drilling permit that enables the Corporation to drill on the mining claims is issued within five years from the date of the Asset Purchase Agreement, the Corporation will pay Moore an additional US$25,000 and will issue Moore an additional 1,000,000 Common Shares. The Acquisition is an Arm’s Length Transaction under the policies of the TSX Venture Exchange.

On February 17, 2022, the Corporation completed the Acquisition of the Assets for a purchase price of $96,130, satisfied through a combination of cash and common shares. On February 17, 2022, the Corporation issued one million common shares at $0.045 per common share for a cost of $45,000, paid cash compensation of $44,433 (US$35,000) and capitalized legal fees of $6,697 for total additions of $96,130.

6. LOANS FROM RELATED PARTIES

From time to time, the Corporation obtains loans from certain related parties to supplement its working capital.

The related party loans are with companies controlled by certain directors of the Corporation and bear no interest. All loans are secured against the assets of the Corporation and due on demand. The following loan amounts are payable:

	Deckland Inc. [(1)] ($)	Guardian Helicopters Inc. [(1)] ($)	Guardian Drilling & Consulting [(1)] ($)	Total ($)
Balance, December 31, 2022	**71,984**	**111,304**	**-**	**183,288**
Advances	138,020	284,124	18,000	440,144
Balance, December 31, 2023	**210,004**	**395,428**	**18,000**	**623,432**
Advances	205,338	306,707	-	512,045
Repayments	(8,455)	-	-	(8,455)
Balance, December 31, 2024	**406,887**	**702,135**	**18,000**	**1,127,022**
Advances	35,210	43,470	-	78,680
Balance, March 31, 2025	**442,097**	**745,605**	**18,000**	**1,205,702**

1) *A private Company wholly-owned and controlled by Mr. G. Kowal, shareholder, CEO and President of the* Corporation.

7. DECOMMISSIONING LIABILITIES

The total estimated undiscounted amount of cash flows required to settle the obligations at March 31, 2025 are approximately $116,117 (December 31, 2024 - $113,617) and are expected to be made over the next 2 years. The decommissioning obligations have been calculated using an inflation rate of 2% (December 31, 2024 - 2%) and an average risk-free rate of 2.93% (December 31, 2024 – 2.93%). A reconciliation of the decommissioning liabilities is provided below:

(All amounts in Canadian dollars unless indicated otherwise)

	March 31, 2025 ($)	December 31, 2024 ($)
Balance, beginning of the period	**111,573**	188,231
Abandonments	**-**	(76,442)
Changes in estimates	**-**	(2,443)
Accretion	**2,500**	2,227
Balance, end of the period	**114,073**	111,573

All property and equipment has been fully impaired or depreciated resulting in the change in estimates being recorded to operating costs in the statements of net loss and comprehensive loss.

8. SHARE CAPITAL

a) Authorized shares

- Unlimited number of no-par value common voting shares.
- Unlimited number of no-par value preferred shares, issuable in series.

Flow-through shares

During the year ended December 31, 2021, the Corporation raised $200,000 on a CEE flow-through share basis. The qualifying expenditures were incurred during fiscal 2022 with the flow-through share renouncement occurring during the year end December 31, 2023.

b) Shares issued and outstanding

Common Shares	**Number of Shares**	**Amount ($)**
Balance, December 31, 2022, 2023, 2024 and March 31, 2025	**104,076,054**	**17,876,561**

c) Warrants

	Number of Warrants	**Amount ($)**
Balance, December 31, 2022 and 2023	**4,100,000**	**160,655**
Expiry of Warrants	**(4,100,000)**	**(160,655)**
Balance, December 31, 2024 and March 31, 2025	**-**	**-**

During the year ended December 31, 2024, 4,100,000 share purchase warrants expired. As a result, a value of $160,655 was transferred from warrants reserve to contributed surplus.

The warrants entitled the holder to purchase common shares at a price at $0.15 or $0.25 for a period of three years from issue date during the year ended December 31, 2021.

d) Stock options

The Corporation has a stock option plan under which directors, officers, employees and consultants are eligible to receive stock option grants. The stock options issued shall not exceed 10% of the issued shares of the Corporation at the time of granting of options. The exercise price and vesting terms of any options granted are fixed by the Board of Directors of the Corporation at the time of grant.

On November 19, 2024, the Corporation granted an aggregate of 4,500,000 incentive stock options under its stock option plan to its officers and directors. Each option entitles the holder thereof to purchase one Common

(All amounts in Canadian dollars unless indicated otherwise)

Share in the capital of the Corporation for a period of six years at a price of $0.06 per share. The options will vest quarterly over a two-year period.

The stock options are not transferable. The common shares issued upon exercise of the stock options will be subject to a four-month resale restriction from the date of grant.

The Corporation calculated the fair value of options granted in 2024 using the Black-Scholes option pricing model using the following weighted average assumptions:

	Year ended December 31, 2024
Share-price	$0.06
Risk-free interest rate	3.2%
Expected volatility	318%
Dividend yield	0%
Expected life of each option granted	6 years
Estimated forfeiture rate	0%
Weighted average fair value per option	$0.06

The fair value of the 4,500,000 stock options granted on November 19, 2024 was $269,976. During the three months ended March 31, 2025, $46,443 was recorded to share-based compensation expense. As at March 31, 2025, a total of $88,315 (December 31, 2024 - $41,872), representing the vested portion of the options, has been recorded to share-based compensation expense, with a corresponding credit to contributed surplus.

The following is a summary of changes to the Corporation's share option plan:

	Three months ended March 31, 2025			Year ended December 31, 2024		
	Number	**Weighted Average Exercise Price**	**Weighted Average Remaining Life**	Number	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding, beginning of year	**10,000,000**	**$0.09**	**3.32**	5,500,000	$0.11	2.25
Granted	**-**	**-**	**-**	4,500,000	$0.06	5.92
Forfeited	**(1,000,000)**	**$0.11**	**-**	-	-	-
Outstanding, at end of period	**9,000,000**	**$0.09**	**3.31**	10,000,000	$0.09	3.32
Exercisable at end of period	**5,062,500**	**$0.10**	**1.50**	5,500,000	$0.11	1.22

e) Per share amounts

Basic per share amounts are calculated using the weighted average number of shares outstanding of 104,076,054 during the three months ended March 31, 2025 (year ended December 31, 2024 - 104,076,054). The calculation of diluted loss per share for the three months ended March 31, 2025 and year ended December 31, 2024 excludes the effect of all outstanding share options and warrants as they are anti-dilutive.

9. COMMITMENTS AND CONTINGENCIES

a) Contractual

Under the terms of an employment contract with the Chief Executive Officer, the Corporation is committed to pay (i) severance equal to 24 months' base salary; (ii) compensation for loss of employee benefits; (iii) all accrued but unpaid bonuses; and (iv) accrued and unpaid salary, benefits, perquisites and expenses to the termination date and any un-received vacation allotment.

(All amounts in Canadian dollars unless indicated otherwise)

b) Other

The Corporation is involved in a number of legal claims associated with the normal course of operations. The Corporation believes it has made adequate provisions for such legal claims. The Corporation has not presented a detailed breakdown of the claims as it may prejudice the position of management on these claims. While the outcome of these claims is uncertain, and there can be no assurance that such claims will be resolved in the Corporation's favour, the Corporation does not believe that the outcome of adverse decisions in any proceedings related to these claims, or any amount which it may be required to pay, would have a material adverse impact on its financial position, results of operations or liquidity.

10. RELATED PARTY TRANSACTIONS

In addition to transactions disclosed elsewhere in these financial statements, the Corporation has the following related party transactions:

a) Legal fees in the amount of $18,463 for the three months ended March 31, 2025 (2024 - $22,038) have been incurred with a legal firm of which a partner is the spouse of an officer of the Corporation. As at March 31, 2025, $33,481 is payable to this legal firm (December 31, 2024 - $14,277) and is included in accounts payable and accrued liabilities.

b) Total consulting fees, wages, salaries, benefits and other personnel costs included in the statements of net loss and comprehensive loss for the three months ended March 31, 2025 were $28,215 (2024 - $22,933). The aggregate remuneration of key management for the three months ended March 31, 2025 was $28,215 in consulting fees, salaries and benefits (2024 - $22,933). The Corporation considers key management personnel to be the CEO and CFO.

The transactions are in the normal course of business and initially recorded at fair value.

11. CHANGE IN NON-CASH WORKING CAPITAL

	Three months ended March 31, 2025 ($)	Year ended December 31, 2024 ($)
Amounts receivable	**3,886**	(26,142)
Prepaid expenses	**3,559**	24,705
Deposits	**-**	50,208
Accounts payable and accrued liabilities	**20,694**	27,561
Total	**28,139**	76,332

12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

a) Fair value of financial assets and liabilities

The Corporation's carrying value of cash, accounts payable and accrued liabilities and loans from related parties approximates their fair values, due to the immediate or short-term maturity of these instruments.

The Corporation classifies the fair value of transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

(All amounts in Canadian dollars unless indicated otherwise)

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Corporation’s financial assets carried at fair value are considered Level 1.

b) Interest rate risk

At March 31, 2025 and December 31, 2024, the Corporation is not significantly exposed to interest rate cash flow risk in relation to its loan from related parties, which bear no interest.

c) Commodity price risk

The nature of the Corporation’s operations results in an exposure to fluctuations in commodity prices. At March 31, 2025 and December 31, 2024, the Corporation had no financial derivative or physical delivery contracts in place.

d) Currency risk

Currency risk is the risk to the Corporation's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Corporation is not exposed to significant current risk. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

c) Capital management

The Corporation’s objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Corporation defines capital as shareholder equity, working capital and credit facilities, when available. The Corporation manages its capital structure, including making adjustments to its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Corporation’s objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management; but, rather, promotes year over year sustainable growth in net income and cash flows. There have been no changes to the Corporation’s objectives in managing capital or in management’s management of capital in the current year.

The capital structure of the Corporation is as follows:

	March 31, 2025 ($)	December 31, 2024 ($)
Total shareholders’ deficiency	**(1,319,767)**	(1,210,448)
Working capital deficiency	**(1,691,824)**	(1,585,005)

f) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Corporation is subject to credit risk on its cash balance. The Corporation’s cash is held at major financial institutions as well as a Trust account with the Corporation’s legal counsel, and, as such, is subject to only minor credit risk.

g) Liquidity Risk

Liquidity risk includes the following, as a result of the Corporation's operational liquidity requirements:

- The Corporation will not have sufficient funds to settle a transaction on the due date;
- The Corporation will be forced to sell financial assets at a value less than what they are worth; or,
- The Corporation may be unable to settle or recover a financial asset at all.

At March 31, 2025, the Corporation had cash of $Nil (December 31, 2024 - $Nil) to settle current obligations of $1,730,837 (December 31, 2024 - $1,631,463) and will therefore need to source equity and/or debt financing to meet obligations as they come due. The loans from related parties are due upon demand. All accounts payable and accruals are due within thirty days.

13. LETTER OF INTENT

The Corporation entered into a non-binding letter of intent dated December 9, 2024 ("LOI") with New Break Resources Ltd. ("New Break") for the purchase (the "Acquisition") of New Break's 100% interest in the mineral rights and exploration data associated with the 9,415 hectare Sundog gold project located in Kivalliq Region, Nunavut ("Sundog") held pursuant to an Inuit Owned Lands Mineral Exploration Agreement ("MEA") and 60 drums of JetA fuel located in Arviat, Nunavut.

In consideration, upon closing the Corporation will issue 5,000,000 common shares in the share capital of the Corporation to New Break and make a cash payment of $75,000. In addition, the Corporation will pay $18,830 to New Break as reimbursement for the 2024-2025 annual rent paid to Nunavut Tunngavik Incorporated ("NTI") by New Break in December 2024.It is proposed that the Corporation will assume all of the obligations under the MEA including the annual exploration expenditure requirements and annual rent payments due to NTI.

In connection with the with the Acquisition, the Corporation will grant an option to New Break to purchase a 20% interest in the Sundog project at any time for $1.00, carried through to a decision to mine. Upon exercise, the parties will enter a joint venture agreement on mutually agreed terms.

The Acquisition of Sundog is an Arm's Length Transaction under the policies of the TSX Venture Exchange (the "Exchange"). Completion of the Acquisition is subject to approval from the Exchange, NTI and the boards of the Corporation and New Break.

The proposed transaction is subject to a number of conditions including the satisfactory completion of the Corporation's due diligence. The LOI will terminate on March 31, 2025 unless extended by the parties by mutual consent. On March 27, 2025, the parties agreed to extend the expiry date of the LOI to April 30, 2025.

14. SUBSEQUENT EVENT

On April 10, 2025, the Company signed a definitive agreement with respect to the Acquisition. The transaction is expected to close no later than April 30, 2025.