



**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended**

**December 31, 2024**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Independence Gold Corp.

### *Opinion*

We have audited the accompanying consolidated financial statements of Independence Gold Corp. (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, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred ongoing losses and has no source of recurring revenue. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Key Audit Matters*

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matter to be communicated in our audit report.

### *Assessment of Impairment Indicators of Mineral Properties*

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company's Mineral Properties was \$4,239,452 as of December 31, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses Mineral Properties for indicators of impairment at each reporting period.



The principal considerations for our determination that the assessment of impairment indicators of the Mineral Properties is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the Mineral Properties, specifically relating to the Mineral Properties' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these Mineral Properties. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the Mineral Properties.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the Mineral Properties through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the Mineral Properties are in good standing.

### ***Other Information***

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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 to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the 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 the 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 judgment and maintain professional skepticism throughout the audit. We also:

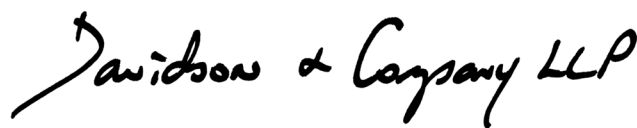
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

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

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

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

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 22, 2025

**INDEPENDENCE GOLD CORP.****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2024 and 2023 (Expressed in Canadian Dollars)

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 9,728,529	\$ 3,588,913
Receivables (Note 4, 12)	104,514	76,009
Prepaid	69,961	23,029
Investments (Note 5)	24,856	21,980
	<u>9,927,860</u>	<u>3,709,931</u>
<b>Long-term deposit</b>	39,278	39,278
<b>Land use deposits</b> (Note 6)	115,468	115,468
<b>Property and equipment</b> (Note 7)	179,112	343,526
<b>Mineral properties</b> (Note 9)	<u>4,239,452</u>	<u>4,261,428</u>
	<u>\$ 14,501,170</u>	<u>\$ 8,469,631</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 10, 12)	\$ 610,209	\$ 385,516
Deferred flow-through premium (Note 13)	671,220	60,000
Current portion of lease liabilities (Note 8)	103,596	110,634
	<u>1,385,025</u>	<u>556,150</u>
<b>Non-current portion of lease liabilities</b> (Note 8)	<u>140,973</u>	<u>310,142</u>
	<u>1,525,998</u>	<u>866,292</u>
<b>Shareholders' equity</b>		
Share capital (Note 13)	56,480,960	46,353,275
Reserves (Note 13)	2,210,629	1,618,778
Deficit	<u>(45,716,417)</u>	<u>(40,368,714)</u>
	<u>12,975,172</u>	<u>7,603,339</u>
	<u>\$ 14,501,170</u>	<u>\$ 8,469,631</u>
<b>Nature and continuance of operations</b> (Note 1)		
<b>Basis of preparation</b> (Note 2)		
<b>Commitments</b> (Note 11)		
<b>Subsequent Events</b> (Note 19)		

Approved and authorized by the Board on April 22, 2025

Randy C. Turner, Director

Darcy Marud, Director

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

**INDEPENDENCE GOLD CORP.****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
<b>Expenses</b>		
Exploration expenditures (Note 9)	\$ 4,090,565	\$ 2,777,114
Depreciation (Note 7)	99,532	98,776
Insurance	23,644	24,081
Interest	25,337	32,316
Legal, audit and accounting	59,392	78,406
Management and director fees (Note 12)	300,742	293,534
Office and miscellaneous	42,072	39,750
Regulatory and transfer agent fees	100,367	103,701
Share-based compensation (Note 13)	687,448	216,673
Shareholder communications	135,341	125,114
Travel	1,075	-
Wages and benefits	107,774	102,950
	<u>(5,673,289)</u>	<u>(3,892,415)</u>
<b>Interest income</b>	93,554	2,616
<b>Rent recovery</b>	57,619	73,423
<b>Unrealized gain on investments (Note 5)</b>	2,875	9,676
<b>Write-down on mineral properties (Note 9)</b>	(25,450)	-
<b>Flow-through premium</b>	88,777	-
	<u>217,375</u>	<u>85,715</u>
<b>Loss and comprehensive loss for the year</b>	\$ <u>(5,455,914)</u>	\$ <u>(3,806,700)</u>
<b>Basic and diluted loss per common share</b>	\$ <u>(0.03)</u>	\$ <u>(0.03)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	176,327,464	138,707,626

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

**INDEPENDENCE GOLD CORP.****CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Loss for the year	\$ (5,455,914)	\$ (3,806,700)
Items not affecting cash:		
Depreciation	99,532	98,776
Share-based compensation	687,448	216,673
Unrealized (gain) on investments	(2,875)	(9,676)
Write-down on mineral properties	25,450	-
Interest expense	25,337	32,316
Flow-through premium	(88,777)	-
Changes in non-cash working capital items:		
(Increase) decrease in prepaid expenses	(46,932)	536
(Increase) in receivables	(28,506)	(55,996)
Increase in accounts payable and accrued liabilities	224,694	159,243
Net cash used in operating activities	<u>(4,560,543)</u>	<u>(3,364,828)</u>
<b>Cash flows from financing activities</b>		
Proceeds from private placement	8,649,989	5,400,000
Proceeds from exercise of warrants	2,333,240	289,350
Proceeds from the exercise of stock options	200,000	110,000
Share issuance costs	(342,934)	(255,618)
Lease liability payment	(136,662)	(134,657)
Net cash provided by financing activities	<u>10,703,633</u>	<u>5,409,075</u>
<b>Cash flows from investing activities</b>		
Acquisition of mineral properties	(3,474)	(25,450)
Net cash used in investing activities	<u>(3,474)</u>	<u>(25,450)</u>
<b>Change in cash during the year</b>	6,139,616	2,018,797
<b>Cash, beginning of the year</b>	3,588,913	1,570,116
<b>Cash, end of the year</b>	\$ <u>9,728,529</u>	\$ <u>3,588,913</u>
<b>Supplemental disclosure with respect to cash flows (Note 15)</b>		
<b>Cash consist of:</b>		
Cash	\$ <u>9,728,529</u>	\$ <u>3,588,913</u>
	<u>9,728,529</u>	<u>3,588,913</u>
Cash received for interest:	\$ 93,554	\$ 2,616

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

**INDEPENDENCE GOLD CORP.****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

	<b>Share Capital</b>				
	<b>Number</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
Balance, December 31, 2022	130,448,487	\$ 41,243,808	\$ 1,027,840	\$ (36,562,014)	\$ 5,709,634
Shares issued on private placement for cash	33,444,444	5,400,000	-	-	5,400,000
Warrants issued on private placement	-	(423,429)	423,429	-	-
Shares issued on warrant exercise	1,927,000	372,430	(83,080)	-	289,350
Shares issued on stock option exercise	1,000,000	179,566	(69,566)	-	110,000
Share-based compensation	-	-	216,673	-	216,673
Share issuance costs	-	(359,100)	103,482	-	(255,618)
Flow-through premium	-	(60,000)	-	-	(60,000)
Loss for the year	-	-	-	(3,806,700)	(3,746,700)
Balance, December 31, 2023	166,819,931	\$ 46,353,275	\$ 1,618,778	\$ (40,368,714)	\$ 7,603,339
Shares issued on private placement for cash	36,893,903	8,649,989	-	-	8,649,989
Warrants issued on private placement	-	(421,695)	421,695	-	-
Shares issued on warrant exercise	19,443,668	2,749,142	(415,902)	-	2,333,240
Shares issued on stock option exercise	1,500,000	312,017	(112,017)	-	200,000
Share-based compensation	-	-	687,448	-	687,448
Reserves transferred on expired options	-	-	(82,652)	82,652	-
Reserves transferred on expired warrants	-	-	(25,559)	25,559	-
Share issuance costs	-	(461,772)	118,838	-	(342,934)
Flow-through premium	-	(699,996)	-	-	(699,996)
Loss for the year	-	-	-	(5,455,914)	(5,455,914)
Balance, December 31, 2024	<u>224,657,502</u>	<u>\$ 56,480,960</u>	<u>\$ 2,210,629</u>	<u>\$ (45,716,417)</u>	<u>\$ 12,975,172</u>

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



## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### 1. NATURE AND CONTINUANCE OF OPERATIONS

Independence Gold Corp. ("Independence" or the "Company") was incorporated under the Business Corporation Act (British Columbia) on November 1, 2011 and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its properties contain economically recoverable mineral reserves.

The Company's head office and principal address is 580 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Although the Company has been successful in obtaining financing in the past, there can be no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	2024	2023
Deficit	\$ (45,716,417)	\$ (40,368,714)
Working capital	8,542,835	\$ 3,153,781

#### 2. BASIS OF PREPARATION

##### Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

##### Basis of Consolidation and Presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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## 2. BASIS OF PREPARATION *(continued)*

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. These consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries (Note 12). All significant intercompany transactions and balances have been eliminated upon consolidation.

### Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

### Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

### Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that mineral costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

### Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expect timing of reversals of existing temporary differences

## **INDEPENDENCE GOLD CORP.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

##### **Share-based payments**

The fair value of all share-based awards granted is recorded, at the measurement date fair value, as an asset or a charge to profit or loss and as a credit to contributed surplus under the graded attribution method.

The fair value of share-based awards granted to employees and others providing similar services which vest immediately is recorded at the date of grant. The fair value of share-based awards which vest in the future is recognized over the vesting period, as adjusted for the expected level of vesting of the options. The fair value of share-based awards is estimated using the Black-Scholes pricing model, with estimated volatility based on the historical volatility of the Company's share price.

Share-based awards granted to parties other than employees and those providing similar services are measured at the fair value of the goods and services received on the date of receipt. If the fair value of the goods and services received cannot be reliably measured, their value is estimated using the Black-Scholes option pricing model, with estimated volatility based on the historical volatility of the Company's share price.

Any consideration received on the exercise of share-based awards together with the related portion of contributed surplus attributed to the exercised share-based awards is credited to share capital. When share-based awards expire unexercised the amounts recorded in contributed surplus with respect to those share-based awards are not reclassified within equity.

##### **Unit offering**

The Company accounts for unit offering financing using the relative fair value method. Under this method, the fair values of the shares and share purchase warrants are determined separately and prorated to the actual proceeds received. The fair value of shares is determined using the share price at the issue date. The fair value of share purchase warrants is measured using the Black-Scholes Option Pricing Model at the issue date.

##### **Investments**

Investments in marketable securities have been designated as fair value through profit or loss and are recorded at fair value. Fair value through profit or loss investments are determined by reference to the last bid price on the date of the statement of financial position. Changes in fair value are recognized in profit or loss in the period for which they occur.

##### **Foreign exchange**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in loss and comprehensive loss.

##### **Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

##### **Financial instruments**

###### Financial assets

The following is the Company's accounting policy for financial instruments under IFRS 9:

###### *Classification*

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

###### *Measurement*

Financial assets and liabilities at amortized cost financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

###### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### *Impairment of financial assets at amortized cost*

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### *Derecognition*

#### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

#### **Equipment and mineral properties**

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

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 the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

The Company accounts for its mineral properties as exploration and evaluation assets in accordance with IFRS 6. The Company capitalizes mineral property acquisition costs, which include the cash consideration, option payments under an earn-in arrangement, and the fair value of common shares issued for mineral properties. The acquisition costs are deferred until the property is placed into production, sold or abandoned or determined to be impaired. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company expenses to operations all exploration and evaluation costs incurred prior to the determination of economically recoverable reserves. Exploration and evaluation expenditure related costs incurred for investigation and evaluation of potential mineral reserves and resources, including trenching, exploratory drilling, sampling, mapping, and other activities in searching for ore bodies under the properties, and evaluating the technical and commercial viability of developing mineral properties identified through exploration. Exploration and evaluation expenditures, net of any recoveries, are recorded on a property by property basis.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### Leases

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these leases are instead recognized as an expense over the lease term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

#### Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period 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 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 does not have any significant environmental rehabilitation provisions.

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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**3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)****Impairment of tangible and intangible assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Income taxes**

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

**Government assistance**

When the Company is entitled to recover mineral exploration tax credits and grants, this government assistance is recognized as a recovery against the related exploration expenditures where there is reasonable assurance of recovery.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

#### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

##### **New Accounting Policies, Standards and Interpretations**

*On May 1, 2024, the Company adopted the following amendments to accounting standards:*

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) which amended IAS 1, Presentation of Financial Statements ("IAS 1"), to clarify the requirements for presenting liabilities in the statement of financial position. The amendments specify that the Company must have the right to defer settlement of a liability for at least 12 months after the reporting period for the liability to be classified as non-current. In addition, the amendments clarify that: (a) the Company's right to defer settlement must exist at the end of the reporting period; (b) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (c) if the Company's right to defer settlement is subject to the Company complying with specified conditions, the right exists at the end of the reporting period only if the Company complies with those conditions at the end of the reporting period, even if the lender does not test compliance until a later date; and (d) the term settlement includes the transfer of the Company's own equity instruments to the counterparty that results in the extinguishment of the liability, except when the settlement of the liability with the Company transferring its own equity instruments is at the option of the counterparty and such option has been classified as an equity instrument, separate from the host liability.

In October 2022, the IASB issued amendment Non-current Liabilities with Covenants to IAS 1 to clarify that covenants of loan arrangements which the Company must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. The amendment also introduces additional disclosure requirements related to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) the carrying amount of the related liabilities; and (iii) facts and circumstances, if any, that indicate that the Company may have difficulty complying with covenants.

##### **Future Changes in Accounting Policies Not Yet Effective**

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on our financial statements.

#### 4. RECEIVABLES

The Company's receivables are as follows:

	December 31, 2024	December 31, 2023
GST Receivable	\$ 97,694	\$ 63,458
Other Receivable (Note 12)	6,820	12,551
Total	\$ 104,514	\$ 76,009



**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**5. INVESTMENTS**

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
West Point Gold Corp.	\$ 10,666	\$ 8,500
Canterra Minerals Corporation	14,190	13,480
<b>Total</b>	<b>\$ 24,856</b>	<b>\$ 21,980</b>

The Company did not acquire or sell any investments and recognized an unrealized gain of \$2,875 (December 31, 2023 – gain of \$9,676) during the year ended December 31, 2024.

**6. LAND USE DEPOSITS**

The Company has provided deposits as security for land use and potential future reclamation work relating to its mineral properties. As at December 31, 2024 a total of \$115,468 (December 31, 2023 - \$115,468) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.

**7. PROPERTY AND EQUIPMENT**

	<b>Right of Use Asset</b>
<b>COST</b>	
Balance, December 31, 2022	\$ 911,676
Additions/(dispositions)	-
Balance, December 31, 2023	911,676
Additions/(dispositions)	(64,882)
<b>Balance, December 31, 2024</b>	<b>\$ 846,794</b>
<b>ACCUMULATED DEPRECIATION</b>	
Balance, December 31, 2022	\$ 469,374
Additions/(dispositions)	-
Depreciation	98,776
Balance, December 31, 2023	568,150
Additions/(dispositions)	-
Depreciation	99,532
<b>Balance, December 31, 2024</b>	<b>\$ 667,682</b>
<b>CARRYING AMOUNTS</b>	
Balance, December 31, 2022	\$ 442,302
Balance, December 31, 2023	343,526
<b>Balance, December 31, 2024</b>	<b>\$ 179,112</b>

The right of use asset consists of a lease for office space and a photocopier lease. The lease liability was measured at the present value of the remaining lease payments and discounted using the Company's estimated incremental borrowing rate of 7% per annum.

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**8. LEASE LIABILITY**

At December 31, 2024, the Company's lease liability is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Opening balance	\$ 420,776	\$ 523,117
Modification	(64,882)	-
Interest	25,337	32,316
Lease payments	(136,662)	(134,657)
Ending balance	\$ 244,569	\$ 420,776

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Current portion	\$ 103,596	\$ 110,634
Long-term portion	140,973	310,142
Ending balance	\$ 244,569	\$ 420,776

At December 31, 2024, the Company is committed to minimum undiscounted lease payments as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Less than one year	\$ 116,384	\$ 135,778
One to five years	146,511	336,878
Total undiscounted lease liabilities	\$ 262,895	\$ 472,656

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**9. MINERAL PROPERTIES**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties, except as described below are properly registered and in good standing.

The Company holds interest in various mineral claims located in Canada, the capitalized acquisition costs of which are as follows:

	December 31 2024	December 31 2023
<b>BRITISH COLUMBIA</b>		
<b><u>3Ts PROJECT</u></b>		
<b>Taken Property</b>	\$ 345,693	\$ 345,693
<i>A 100% interest in certain claims. The property is subject to a sliding scale net smelter returns royalty ("NSR") ranging from 2.0% to 4.0%. The Company may reduce the NSR to 1.0% by paying \$2,000,000 per percent.</i>		
<b>Tam Property</b>	1,750,979	1,750,979
<i>A 100% interest, subject to a 1.0% NSR, one-half of which may be purchased back for \$250,000.</i>		
<b>Tsacha Property</b>	2,121,788	2,121,788
<i>A 100% interest in certain claims subject to a 2.0% NSR.</i>		
<b>Tommy Lake Property</b>	17,518	17,518
<i>A 100% interest.</i>		
<b>3Ts South</b>	3,474	6,370
<i>A 100% interest</i>		
<b><u>LAIMAN PROPERTY</u></b>		
<i>A 100% interest. On July 1, 2024, the Company write down the property in the amount of \$19,080</i>		
	-	19,080
<b>YUKON</b>		
<b><u>BOULEVARD PROJECT</u></b>		
<b>Boulevard, YCS, Solitude and Tiger Properties</b>	-	-
<i>A 100% interest in certain claims.</i>		
	\$ 4,239,452	\$ 4,261,428

On November 29, 2024, the 3Ts South claims lapsed and \$6,370 was written off. These claims were then re-staked on December 10, 2024 for \$3,474.

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**9. MINERAL PROPERTIES** *(continued)*

During the year ended December 31, 2024, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the year
<b>BRITISH COLUMBIA</b>								
3Ts Project	\$ 840,838	\$ 148	\$ 2,820,124	\$ 2,262	\$ 386,776	\$ 35,035	\$ -	\$ 4,085,183
Laidman	-	-	-	-	4,102	-	-	4,102
<b>YUKON</b>								
Boulevard Project	1,280	-	-	-	-	-	-	1,280
	<b>\$ 842,118</b>	<b>\$ 148</b>	<b>\$ 2,820,124</b>	<b>\$ 2,262</b>	<b>\$ 390,878</b>	<b>\$ 35,035</b>	<b>\$ -</b>	<b>\$ 4,090,565</b>

During the year ended December 31, 2023 the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the year
<b>BRITISH COLUMBIA</b>								
3Ts Project	\$ 371,084	\$ 5,574	\$ 2,167,927	\$ 2,820	\$ 204,471	\$ 44,197	\$ -	\$ 2,796,073
Laidman	8,749	542	-	-	713	-	-	10,004
<b>YUKON</b>								
Boulevard Project	1,335	-	-	-	-	-	-	1,335
Others	-	-	-	-	-	-	(30,298)	(30,298)
	<b>\$ 381,168</b>	<b>\$ 6,116</b>	<b>\$ 2,167,927</b>	<b>\$ 2,820</b>	<b>\$ 205,184</b>	<b>\$ 44,197</b>	<b>\$ (30,298)</b>	<b>\$ 2,777,114</b>

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Trade payables	\$ 447,157	\$ 243,938
Accrued liabilities	163,052	141,578
Total	<u>\$ 610,209</u>	<u>\$ 385,516</u>

**11. COMMITMENTS**

In January 2012, the Company entered into a management agreement with a company controlled by a director which requires the Company to pay for geological consulting, management and administrative services. The agreement contains clauses which provides between 24 and 36 months remuneration should the contract be terminated or certain specified transactions occur. On January 1, 2021 the fee was \$13,750 per month and on January 1, 2022, the management fee was increased to \$16,750 per month. On January 1, 2023 the management fee was given a cost of living increase of 5% to \$17,588. An additional cost of living increase was given effective January 1, 2024 bringing the monthly fee to \$18,467.

**12. RELATED PARTY TRANSACTIONS**

The consolidated financial statements include the financial statements of Independence Gold Corp. and its subsidiary, Silver Quest Resources (US) Ltd.

*Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management for services rendered are as follows:

	<b>For the year ended December 31, 2024</b>	<b>For the year ended December 31, 2023</b>
Management fees	\$ 267,742	\$ 255,034
Geological consulting fees	33,240	31,658
Director fees	33,000	38,500
Share-based compensation	575,782	163,527
Total	<u>\$ 909,764</u>	<u>\$ 488,719</u>

Included in receivables at December 31, 2024 is \$nil (December 31, 2023 - \$9,506) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at December 31, 2024 is \$22,047 (December 31, 2023 - \$9,476) due to directors and companies with directors and/or officers in common.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### 12. RELATED PARTY TRANSACTIONS *(continued)*

The Company provides geological, office and administrative services to public companies with common directors. During the year ended December 31, 2024, the Company received or accrued \$11,460 (December 31, 2023 - \$36,240) for rent and \$Nil (December 31, 2023 - \$28,100) for accounting, investor relations, geology and other.

#### 13. SHARE CAPITAL AND RESERVES

##### a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

##### b) Issued share capital

As at December 31, 2024, the Company has 224,657,502 (December 31, 2023 – 166,819,931) common shares issued and outstanding.

During the year ended December 31, 2024, the Company issued 19,443,668 common shares related to the exercise of warrants for total proceeds of \$2,333,240 and issued 1,500,000 common shares related to the exercise of stock options for total proceeds of \$200,000.

On December 19, 2024, the Company completed a non-brokered private placement and issued 6,666,633 flow-through common shares ("FT Shares") at a price of \$0.30 per FT Share for total proceeds of \$1,999,990. The Company paid finder's fees of \$95,999 cash and issued 159,997 non-transferrable finder's warrants valued at \$10,617 in connection with the distribution of FT Shares to arm's length subscribers. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.30 per common share until December 19, 2026. The Company also recorded a flow-through premium of \$699,996.

On October 24, 2024, the Company completed a non-brokered private placement and issued 10,076,591 units ("Units") at a price of \$0.22 per Unit for proceeds of \$2,216,850 and 20,150,679 FT Shares at a price of \$0.22 for proceeds of \$4,433,149, and total proceeds of \$6,649,999. Each Unit consists of one common share and one-half of one common share purchase warrant. Proceeds of \$421,695 were allocated to the warrant based on the relative fair value method. Each whole warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.28 for a period of 24 months from the date of issue. The Company paid legal and filing fees of \$46,379, finder's fees of \$200,556 cash and issued 853,143 non-transferrable finder's warrants valued at \$108,221 in connection with the distribution of FT Shares to arm's length subscribers. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.28 per common share until October 23, 2026.

During the year ended December 31, 2023, the Company issued 1,927,000 shares related to the exercise of warrants for a total proceeds of \$289,350, and issued 1,000,000 shares related to the exercise of stock options for a total proceeds of \$110,000.

On December 21, 2023, the Company completed a non-brokered private placement and issued 4,000,000 FT Shares at a price of \$0.25 per FT Share for total proceeds of \$1,000,000. The Company paid finder's fees of \$40,000 cash in connection with the distribution of FT Shares to arm's length subscribers. The Company also recorded a flow-through premium of \$60,000.

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**13. SHARE CAPITAL AND RESERVES (continued)**

On December 11, 2023, the Company completed a non-brokered private placement and issued 5,402,780 Units at a price of \$0.18 for proceeds of \$972,500 (the "Unit Proceeds"), and 9,041,664 FT Shares and together with the Units, (the "Securities") at a price of \$0.18 per FT Common Share for proceeds of \$1,627,450 (together with the Unit Proceeds, the "Funds"), for total proceeds of \$2,600,000 under the Offering. Each Unit consists of one common share and one-half of one common share purchase warrant (each, a "Warrant"). Each whole warrant is exercisable into one common share in the capital of the Company at an exercise price of \$0.24 per common share for a period of 24 months from the date of issue. The Company paid aggregate cash finder's fees of \$124,208 cash and issued an aggregate of 670,599 non-transferable finders compensation warrants ("Finder's Warrants") in connection with the distribution of FT Shares and Units to arm's length subscribers. Each Finder's Warrant entitles the holder to purchase one common share of the Company at a price of \$0.24 per common share for a period of 24 months from the date of issue. The finder's warrants issued as part of this private placement have been recorded at a fair value of \$84,949 using the Black Scholes pricing model.

On July 18, 2023, the Company completed a non-brokered private placement and issued 8,535,000 Units at a price of \$0.12 per Unit for proceeds of \$1,024,200 (the "Unit Proceeds"), and 6,465,000 FT Shares, and together with the Units (the "Securities") at a price of \$0.12 per FT Common Share for proceeds of \$775,800 (together with the Unit Proceeds, the "Funds"), for a total proceeds of \$1,800,000 under the Offering. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant ("Warrant") is exercisable into one common share in the capital of the Company at an exercise price of \$0.18 per common share for a period of 24 months from the date of issue. The Company paid aggregate cash finder's fees of \$32,969.99 cash and issued an aggregate of 251,416 non-transferable finders compensation warrants ("Finder's Warrants") in connection with the distribution of FT Shares and Units to arm's length subscribers. Each Finder's Warrant entitles the holder to purchase one common share of the Company at a price of \$0.18 per common share until July 18, 2025. The finder's warrant issued as part of this private placement have been recorded at a fair value of \$18,533 using the Black Scholes pricing model.

**c) Stock options**

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at December 31, 2024, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
500,000	\$ 0.10	July 17, 2025
450,000	\$ 0.18	December 18, 2025
2,150,000	\$ 0.15	January 18, 2026
2,375,000	\$ 0.15	January 27, 2027
4,925,000	\$ 0.30	April 11, 2027
<b>10,400,000</b>		

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**13. SHARE CAPITAL AND RESERVES (continued)**

Stock option transactions are summarized as follows:

	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of year	8,400,000	\$ 0.15	6,750,000	\$ 0.14
Granted	4,925,000	\$ 0.30	2,650,000	\$ 0.15
Exercised	(1,500,000)	\$ 0.13	(1,000,000)	\$ 0.11
Expired/Cancelled	(1,425,000)	\$ 0.15	-	-
Balance, end of year	10,400,000	\$ 0.22	8,400,000	\$ 0.15
Options exercisable, end of year	<b>10,400,000</b>	<b>\$ 0.22</b>	<b>8,400,000</b>	<b>\$ 0.15</b>

During the year ended December 31, 2024, the Company issued 1,500,000 common shares from the exercise of stock option for total gross proceeds of \$200,000.

On April 11, 2024, the Company granted 4,925,000 stock options to directors, employees, and consultants.

On February 4, 2024, 1,425,000 stock options expired unexercised, with a fair value of 82,652.

**d) Share-based compensation**

On April 11, 2024, the Company granted 4,925,000 stock options with a fair value of \$687,448. All options vested immediately on grant. The following assumptions were used for the Black-Scholes valuation of stock options granted during the noted period:

	<b>2024</b>	<b>2023</b>
Risk-free interest rate	2.71%	1.42%
Expected life of options	3 years	3 years
Annualized volatility	102.45%	121.69%
Weighted average FV	\$ 0.14	\$ 0.08
Expected dividend rate	0%	0%

**e) Warrants**

As at December 31, 2024, the Company had 13,917,337 outstanding share purchase warrants, enabling the holders to acquire further common shares as follows:



**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

**13. SHARE CAPITAL AND RESERVES (continued)**

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
4,493,915	\$ 0.18	July 18, 2025
3,371,987	\$ 0.24	December 11, 2025
5,891,438	\$ 0.28	October 23, 2026
159,997	\$ 0.30	December 19, 2026
<b>13,917,337</b>		

Share purchase warrant transactions are summarized as follows:

	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, beginning of year	<b>28,509,570</b>	\$ 0.14	22,545,668	\$ 0.12
Issued	6,051,435	\$ 0.28	7,890,902	\$ 0.21
Expired	(1,200,000)	\$ 0.12	-	-
Exercised	(19,443,668)	\$ 0.12	(1,927,000)	\$ 0.15
Balance, end of year	<b>13,917,337</b>	\$ 0.24	<b>28,509,570</b>	\$ 0.14
Warrants exercisable, end of year	<b>13,917,337</b>	<b>\$0.24</b>	<b>28,509,570</b>	<b>\$ 0.14</b>

During the year ended December 31, 2024, the Company issued 19,443,668 common shares from the exercise of share purchase warrants for gross proceeds of \$2,333,240.

On December 22, 2024, 1,200,000 warrants expired unexercised with a relative fair value of \$25,559.

The following assumptions were used for the Black-Scholes valuation of share purchase warrants granted during the noted years:

	<b>2024</b>	<b>2023</b>
Risk-free interest rate	3.03-3.06%	2.71-4.15%
Expected life of warrants	2 years	2 years
Annualized volatility	82.78 - 87.38%	104.85 - 111.42%
Weighted average FV	\$0.07 - \$0.13	\$0.07 - \$0.12
Expected dividend rate	0%	0%

**14. SEGMENT INFORMATION**

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of mineral properties in North America. All of the Company's capital assets are located in Canada.

## INDEPENDENCE GOLD CORP.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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#### 15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash investing and financing transactions completed during the year ended December 31, 2024 consisted of the issuance of warrants valued at \$118,838 in payment of finders fees on two private placements.

Significant non-cash investing and financing transactions completed during the year ended December 31, 2023 consisted of the issuance of warrants valued at \$103,482 in payment of finders fees on a private placement.

#### 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of cash and cash equivalents, short-term investments and common share investments are measured based on level 1 of the fair value hierarchy. The fair values of receivables and deposits, accounts payable and accrued liabilities approximate their book values due to the short-term nature of these instruments. Warrant investments are measured using level three of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

*Credit risk* - Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company manages credit risk by carrying short-term investments with investment grade ratings. The Company's cash and cash equivalents are invested in interest bearing accounts at major Canadian financial institutions. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

*Interest rate risk* - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The risk that the Company will realize a loss in cash and cash equivalents are limited because the Company's deposits and short-term investments are redeemable on demand.

*Liquidity risk* - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

*Price risk* - The Company is exposed to price risk with respect to commodity, equity, and marketable security prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**17. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral 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 defines capital that it manages as the components of shareholders' equity. There has been no change to the Company's approach to managing its capital during the current fiscal year.

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

**18. INCOME TAXES**

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	<b>2024</b>	<b>2023</b>
Loss before income taxes	\$ (5,455,914)	\$ (3,806,700)
Expected income tax (recovery)	\$ (1,473,000)	\$ (1,028,000)
Impact of flow through shares	1,094,000	309,000
Non-deductible expenses and permanent differences	161,000	57,000
Changes in unrecognized deductible temporary differences	85,000	392,000
Change in statutory, foreign tax, foreign exchange rates and other	1,000	-
Share issuance costs	-	(69,000)
Adjustment to prior years provision versus statutory tax returns	132,000	339,000
Total income tax expense(recovery)	\$ -	\$ -

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	<b>2024</b>	<b>Expiry</b>	<b>2023</b>
Equipment	\$ 286,000	not applicable	\$ 286,000
Investment tax credit	281,000	2032 to 2033	281,000
Marketable securities	32,000	not applicable	34,000
Mineral properties	8,829,000	not applicable	9,242,000
Non-capital losses available for future periods	10,950,000	2032 to 2044	10,030,00
Right of use assets	65,000	not applicable	77,000
Share issue costs	463,000	2043 to 2048	298,000
Allowable capital losses	21,000	not applicable	21,000

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

**INDEPENDENCE GOLD CORP.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2024 and 2023 (Expressed in Canadian Dollars)

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**19. SUBSEQUENT EVENTS**

In the first quarter of 2025, the Company sold 141,893 shares of Canterra Minerals Corporation and 33,332 shares of West Point Gold Corp. (recognizing a loss of \$29,551 on the sale of marketable securities) and staked additional ground at a total cost of \$54,160.

On January 13, 2025, the Company granted 3,000,000 stock options to directors, employees and consultants, with an exercise price of \$0.25 for a term of 3 years. All stock options vested immediately upon grant.

On February 7, 2025, the Company granted 300,000 stock options with an exercise price of \$0.25 for a term of 3 years. All stock options vested immediately upon grant.