GUNPOINT EXPLORATION LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(expressed in thousands of Canadian Dollars, unless otherwise noted)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Gunpoint Exploration Ltd.

Opinion

We have audited the consolidated financial statements of Gunpoint Exploration Ltd. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations and comprehensive loss, change in shareholders' equity and cashflows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions, that indicate 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on March 25, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

We obtained 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 14, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

($000's)	Notes		As at December 31, 2024		As at December 31, 2023
ASSETS					
Current assets					
Cash		**$**	**788**	$	1,328
Accounts receivable and prepaids			**19**		36
Investments	8		**636**		465
			1,443		1,829
Non-current assets					
Investment in mineral properties	7		**5,611**		5,346
Reclamation deposit	7		**350**		322
		$	**7,404**	$	7,497
LIABILITIES					
Current liabilities					
Accounts payable		**$**	**37**	$	51
Accrued liabilities			**25**		-
			62		51
Non-current liabilities					
Reclamation obligation	7		**337**		310
Total liabilities			**399**		361
SHAREHOLDERS' EQUITY					
Share capital	10		**13,538**		13,290
Reserves	10		**43,828**		43,762
Deficit			**(50,361)**		(49,916)
Total shareholders' equity			**7,005**		7,136
		$	**7,404**	$	7,497

Nature of operations and going concern (Note 1)

Approved and authorized for issue by the Board of Directors:

"P. Randy Reifel"
____
"P. Randy Reifel", Director

"John Mackay"
____
"John Mackay", Director

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

($000's)	Notes	Year ended December 31, 2024	December 31, 2023
Expenses			
Exploration		**$ 167**	$ 89
General and administrative		**124**	123
Professional fees	9	**307**	179
Share-based compensation	9, 10	**89**	156
Total expenses		**687**	547
Loss before other items		**(687)**	(547)
Other income (expenses)			
Finance costs		**(1)**	(2)
Foreign exchange gain (loss)		**20**	(74)
Other income		**31**	32
Realized gain on sale of investments	8	**46**	-
Unrealized gain (loss) on investments	8	**171**	(425)
Impairment of investment	8	**(25)**	-
Total other income (expense)		**242**	(469)
Net loss and comprehensive loss		**$ (445)**	$ (1,016)
Loss per common share, basic and diluted		**($0.01)**	($0.02)
Weighted Average Shares Outstanding			
Basic and diluted		**50,908,253**	50,872,589

-- The accompanying notes form an integral part of these consolidated financial statements --

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

($000s)	Notes	Number of Shares	Share capital	Additional paid-in capital	Warrants reserves	Share-based payments reserves	Deficit	Total Equity
Balance as at December 31, 2022		50,844,933	$ 13,271	$ 41,510	$ 183	$ 1,920	$ (48,900)	$ 7,984
Exercise of options	10(b)	50,000	19	-	-	(7)	-	12
Share-based compensation	10(c)	-	-	-	-	156	-	156
Net loss for the year		-	-	-	-	-	(1,016)	(1,016)
Balance at December 31, 2023		50,894,933	$ 13,290	$ 41,510	$ 183	$ 2,069	$ (49,916)	$ 7,136
Balance at December 31, 2023		**50,894,933**	**$ 13,290**	**$ 41,510**	**$ 183**	**$ 2,069**	**$ (49,916)**	**$ 7,136**
Exercise of options	10(b)	**375,000**	**248**	**-**	**-**	**(23)**	**-**	**225**
Share-based compensation	10(c)	**-**	**-**	**-**	**-**	**89**	**-**	**89**
Net loss for the year		**-**	**-**	**-**	**-**	**-**	**(445)**	**(445)**
Balance at December 31, 2024		**51,269,933**	**$ 13,538**	**$ 41,510**	**$ 183**	**$ 2,135**	**$ (50,361)**	**$ 7,005**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended	
($000's)	**December 31, 2024**	December 31, 2023
OPERATING ACTIVITIES		
Net loss	**$ (445)**	$ (1,016)
Items not affecting cash		
Unrealized (gain) loss from investments	**(171)**	425
Realized gain on sale of investments	**(46)**	-
Impairment of investment	**25**	-
Unrealized foreign exchange loss	**(1)**	-
Share based compensation	**89**	156
	(549)	(435)
Changes in non cash working capital		
Amounts receivable and prepaids	**17**	7
Accounts payable and accruals	**11**	(76)
Cash used in operating activities	**(521)**	(504)
FINANCING ACTIVITIES		
Proceeds from exercise of options	**225**	12
Cash provided by financing activities	**225**	12
INVESTING ACTIVITIES		
Additions to investments	**(206)**	-
Proceeds from disposition of investments	**227**	-
Mineral properties expenditures	**(265)**	(415)
Reclamation bond	**-**	(91)
Recovery on mineral property expenditure	**-**	176
Proceeds from mineral option agreements	**-**	1,005
Cash provided by (used in) investing activities	**(244)**	675
Change in cash	**(540)**	183
Cash - beginning of year	**1,328**	1,145
Cash - end of year	**$ 788**	$ 1,328
Supplemental disclosure of non cash activities		
Increase in mineral property ARO	**-**	91
Fair value of stock options exercised transferred from reserves to share capital	**23**	7

-- The accompanying notes form an integral part of these consolidated financial statements --

1) Nature of operations and going concern

Gunpoint Exploration Ltd. ("Gunpoint" or the "Company") was incorporated under the laws of British Columbia on October 27, 1989. Gunpoint is focused on the acquisition and exploration of precious metals located in the United States.

Gunpoint is domiciled in Vancouver, British Columbia, Canada and its common shares are listed on the TSX Venture Exchange under the trading symbol "GUN: TSXV". The Company is controlled by Chesapeake Gold Corp. ("Chesapeake") which owns over 60% of the Company's common shares. The Company's registered office is at Suite 201 - 1512 Yew Street, Vancouver, BC, Canada, V6K 3E4.

These consolidated financial statements (the "Financial Statements") have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. To date, the Company has not generated operating revenue from its mineral properties. The ability of the Company to continue as a going concern is dependent upon obtaining additional equity and/or debt financing for the exploration and development of its mineral properties. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

($000's)		December 31, 2024		December 31, 2023
Excess of current assets over current liabilities	$	1,381	$	1,778
Deficit	$	(50,361)	$	(49,916)

These Financial Statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these Financial Statements; these adjustments could be material.

2) Basis of presentation

Statement of Compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies set out below were consistently applied to all periods presented.

The Financial Statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The Financial Statements are presented in Canadian dollars.

These Financial Statements were approved and authorized by the Board of Directors on April 14, 2025.

Comparative figures

As at December 31, 2022 and 2023, $65,000 has been reclassified from reserves to deficit for convertible debenture reserves that expired in prior years.

3) Use of estimates and judgments

The preparation of these Financial Statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These Financial Statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the Financial Statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the Financial Statements:

i. Management is required to assess the functional currency of each entity of the Company. The Company determined the Canadian dollar to be its functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions;
ii. Management is required to assess impairment in respect of its investment in mineral properties. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a small proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. Management has determined that there were no triggering events present as defined in IFRS 6 for the properties and as such, no impairment loss was recorded for the years ended December 31, 2024 and 2023;
iii. Management is required to assess the present value of asset retirement obligations with respect to its mineral properties. Judgment has been applied with respect to the Company's annual discount rate and for the expected time period when those future retirement obligations are expected to be incurred; and
iv. Factors used in the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the end of the reporting period.

Accounting Estimates and Assumptions

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made;
ii. Management estimates the fair values of share-based payment arrangements using the Black-Scholes Option Pricing Model; and
iii. Other significant accounting estimates including the carrying value of investments.

4) Material accounting policy information

Basis of consolidation

Control exists when the Company is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to offset those returns through its power over the subsidiary. The financial results of subsidiaries are included in the Financial Statements from the date that control commences until control ceases.

The following subsidiaries are consolidated:

	Country of incorporation	Percentage owned
Gunpoint Exploration Ltd	Canada	100%
American Gold Capital US Inc.	United States	100%
Gunpoint Exploration US Ltd.	United States	100%
Minera CJ Gold, S.A. DE C.V.	Mexico	100%
Hunt Exploracion S.A. (1)	Guatemala	0%

(1) On December 2, 2024, the Company sold its 100% ownership interest in Hunt Exploracian S.A. for a nominal amount. Up to December 2, 2024, all transactions were consolidated. Thereafter, all balances have been eliminated from the consolidated financial statements.

Significant intercompany balances and transactions have been eliminated.

Foreign currency translation

These Financial Statements are presented in Canadian dollars. The functional currency of the Company and its controlled entities is measured using the currency of the primary and secondary economic environment in which that entity operates. When the primary and secondary indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to the primary indicators before considering the secondary and other indicators, which are designed to provide additional supporting evidence to determine an entity's functional currency. All of the foreign operations are carried out as an extension of the parent Company, rather than being carried out with a significant degree of autonomy.

The functional currency of the Company and its controlled entities is summarized as follows:

	Functional Currency
Gunpoint Exploration Ltd	CAD
American Gold Capital US Inc.	CAD
Gunpoint Exploration US Ltd.	CAD
Minera CJ Gold, S.A. DE C.V.	CAD
Hunt Exploracion S.A.	CAD

Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the consolidated statement of operations in the period in which they arise.

Investment in mineral properties

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs, net of recoveries. Such costs include, but are not limited to, staking and claims management, options payments, geological, geophysical studies, sampling, and drilling. Payments received on option agreements relating to the acquisition of and exploration for mineral claims are offset against the capitalized costs in the period in which they arise. Unproven mineral interest assets are assessed for impairment when the facts and circumstances suggest that its carrying amount may exceed its recoverable amount and when the Company has sufficient information to reach a conclusion about technical feasibility and commercial viability. Industry specific indicators of the existence of a potential impairment typically include the absence of plans to incur substantive expenditure on further exploration over a reasonable time horizon, conditions where title is compromised, adverse changes in the taxation, regulatory or political environment and adverse changes in currencies, commodity prices and markets.

Recoverability of the carrying amount of any unproven mineral interest assets is dependent on successful development and commercial exploration, or alternatively, sale of the respective areas of interest.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Any intangible asset with an indefinite life that is not yet available for use is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset's recoverable amount is the higher of the fair value less costs to dispose and value in use. 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized in the consolidated statement of operations.

Share-based compensation

The share option plan allows the Company's directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted and an estimated forfeiture rate.

Reserves

Share based compensation and warrant reserves represent the fair value of stock options or warrants until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A reduction in respect of the benefit of a deferred income tax asset is recorded against any deferred income tax asset if it is probable that there will be future taxable income to offset. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period in which the change is substantively enacted.

Cash

The Company considers all highly liquid investments with a maturity of three months or less at the time of issuance that are readily convertible into cash, and which are subject to insignificant risk of changes in value to be cash.

Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted-average number of shares outstanding during the year. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. As at December 31, 2024, the Company had 1,365,000 (2023 – 3,240,000) potentially dilutive shares relating to outstanding stock options and warrants.

Reclamation obligations

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related assets to the extent that it was incurred by the development / construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in the consolidated statement of operations and included as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Financial Instruments - Recognition and Measurements

(i) Non-derivative financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Cash and investments are classified as FVTPL.

(ii) Non-derivative financial liabilities

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon recognition as FVTPL. Fair value changes on these liabilities are recognized in the consolidated statement of operations.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

5) Management of capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its resource properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and investments. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and investments. There were no changes in the Company's approach to capital management during the years ended December 31, 2024 and 2023. The Company is not subject to externally imposed capital requirements.

6) Financial instruments and risk management

a) Financial instrument classification and measurement

The Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

December 31, 2024	Level 1	Level 2	Level 3	Total
Cash ($000's)	$ 788	$ -	$ -	$ 788
Investments ($000's)	$ 636	$ -	$ -	$ 636
December 31, 2023				
Cash ($000's)	$ 1,328	$ -	$ -	$ 1,328
Investments ($000's)	$ 465	$ -	$ -	$ 465

The fair value of other financial instruments, including cash and accounts payable, approximate their carrying values due to the relatively short-term maturity of these instruments. The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer.

There were no transfers between the levels during the years ended December 31, 2024 or 2023.

b) Credit risk

The Company's credit risk is primarily attributable to cash. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of credit risk arising from operations. The Company's cash is held through large Canadian financial institutions. As at December 31, 2024, management considers the Company's exposure to credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 5. The accounts payable and accrued liabilities are due within the current operating period. Liquidity risk is assessed as high.

As at December 31, 2024, the Company had a cash balance of $788,000 (2023 – $1,328,000) to settle current liabilities of $62,000 (2023 - $51,000). The Company is not profitable and relies on the issuance of equity securities for cash, primarily through private placements and from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in the equity markets. The Company closely monitors market values to determine the most appropriate course of action. Market risk is assessed as moderate.

e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity.

f) Currency risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in the United States, Mexico, and Guatemala. Certain costs and expenses are incurred in US dollars, Mexican pesos, and Guatemalan quetzal. The Company attempts to mitigate currency risk through the preparation of short and long term expenditure budgets in the foreign currencies and planning for the conversion of Canadian dollars into foreign currencies whenever exchange rates are favourable. Currency risk is assessed as moderate.

g) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to find exploration and development activities is subject to risk associated with fluctuations in the market price of commodities. Price risk is assessed as moderate.

7) Mineral properties

($000's)		Talapoosa
Balance as at December 31, 2022	$	6,021
Licence, dues and fees		323
Geological and engineering		183
Recoveries from option agreement		(1,181)
Balance as at December 31, 2023	$	5,346
Licence, dues and fees		265
Balance as at December 31, 2024	$	5,611

Talapoosa – Appaloosa (Nevada, USA)
The Company has a 100% interest in the Talapoosa gold property ("Talapoosa') located in Lyon County, Nevada. Talapoosa consists of 535 unpatented lode mining claims, including 509 claims owned by the Company and 26 claims subject to a lease agreement with a third party (the "Unpatented Leased Land"). There are 6 additional leased fee land sections (the "Leased Fee Lands") and a portion of one additional fee land section owned by one of the Company's US subsidiaries.

Appaloosa
The Appaloosa property ("Appaloosa") lies within the Talapoosa land package located 1 kilometre northeast of the Talapoosa trend. On September 27, 2022, the Company signed a farm-in agreement with Newcrest Resources Inc. ("Newcrest") to explore Appaloosa ("Newcrest Agreement"). Newcrest had the right to acquire, in multiple stages, up to a 75% interest in Appaloosa for cumulative exploration and development expenditures of US$35 million, cash payments totalling US$5 million to Gunpoint and completing a minimum indicated level mineral resource estimate of 1 million gold ounces.

Upon signing the agreement, Newcrest paid the Company $322,000 (US$250,000). In January 2023, Newcrest elected to enter into the Option Phase of the farm-out agreement by providing a $1,005,000 (US$750,000) cash payment and undertaking a minimum US$2 million in exploration expenditures over the following 18 months. At the end of minimum commitment in the Option Phase, on March 27, 2024, Newcrest provided the Company formal notice to not proceed with the Earn-In option under the Newcrest Agreement.

Reclamation deposit of $350,000 (2023: $332,000) is a reclamation bond in the amount of US$238,025 and CAD$7,500 (2023: US$238,025 and CAD$7,500) for the Talapoosa properties. The change in 2024 was solely due to the change in foreign exchange rates.

The reclamation obligation of $337,000 (US$234,424) (2023 $310,000 - US$234,424) consists of costs for earthworks, re-contouring, re-vegetation for past exploration activities. The change in 2024 was solely due to the change in foreign exchange rates.

8) Investments

		($000's)
Fair value as at December 31, 2022	$	890
Unrealized loss		(425)
Fair value as at December 31, 2023	$	465
Additions		206
Dispositions		(227)
Realized gain		46
Unrealized gain		171
Impairment of investment		(25)
Fair value as at December 31, 2024	$	636

Investments are designated as fair value through profit and loss and carried at market value. Unrealized gains and losses are classified as part of the calculation of net income or loss. During the year ended December 31, 2024, the unrealized gain recorded in investments is $171,000 (2023 - unrealized loss $425,000). The Company recognized an impairment in the fair market value of a private investment of $25,000 (2023 - $nil).

9) Related party transactions

During the year ended December 31, 2024, there were no management fees incurred. In 2023, management fees of $25,000 were paid to the Company's former Chief Financial Officer ("CFO") and were included in professional fees.

During the year ended December 31, 2024, the Company recognized share-based compensation expense of $79,000 (2023 - $156,000) for stock options issued in prior years to employees, officers, and directors of the Company.

10) Share capital

a) Authorized:

The Company's authorized share capital consists of an unlimited number of common shares without par value and 50,000,000 preferred shares without par value.

b) Issued:

On January 5, 2023, the Company issued 50,000 common shares based on the exercise of stock options at an exercise price of $0.25 per share for proceeds of $12,500.

On December 18, 2024, the Company issued 375,000 common shares based on the exercise of stock options at an exercise price of $0.60 per share for proceeds of $225,000.

c) Summary of stock option activity

The Company has a share option plan which provides for equity participation in the Company by its directors, officers, employees and consultants through the acquisition of common shares pursuant to the grant of options to purchase shares. The option plan is administered by the Board of Directors. Options may be granted on such terms as the Board may determine within the limitations of the option plan and subject to the rules and policies of applicable regulatory authorities. The maximum aggregate number of shares reserved for issuance for options granted under the option plan is 10% of the issued and outstanding common shares as at the date of grant. The options will be exercisable for 5 years from the grant date with vesting terms to be determined at the time by the Board of Directors.

amount expressed in Canadian Dollars, unless otherwise noted

During the year ended December 31, 2024, the Company recognized total share-based compensation expense of $89,000 (2023 – $156,000) on vested stock options that were granted in prior years .

As at December 31, 2024, the weighted average remaining contractual life of outstanding stock options is 2.04 years (2023 – 2.7 years).

Stock option activity during the years ended December31, 2024 and 2023 is as follows:

	December 31, 2024		December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Beginning balance	1,740,000	$0.60	1,965,000	$0.57
Exercised	(375,000)	$0.60	(50,000)	$0.25
Expired/Cancelled	-	$0.00	(175,000)	$0.40
Ending balance	1,365,000	$0.60	1,740,000	$0.60

Details of stock options outstanding as at December 31, 2024 and 2023 are as follows:

		December 31, 2024		December 31, 2023	
Expiry Date	Exercise Price	Number of Options	Number of Options Vested	Number of Options	Number of Options Vested
November 23, 2026	$0.60	1,165,000	780,000	1,540,000	770,000
November 10, 2027	$0.60	200,000	100,000	200,000	50,000
		1,365,000	880,000	1,740,000	820,000

d) Warrants

The fair value of the warrants granted was determined using the Black-Scholes Option Pricing Model assuming volatility of 54%, risk-free rate of 1.44%, expected life of 2 years, and no expected dividends or forfeitures. Warrant pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

During the year ended December 31, 2024, 1,500,000 warrants with an exercise price of $0.75 per share, expired unexercised.

Warrant activity during the years ended December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Beginning balance	1,500,000	$0.75	1,500,000	$0.75
Expired	(1,500,000)	$0.75	-	$0.00
Ending balance	-	$0.00	1,500,000	$0.75

11) Segment disclosures

The Company's assets and operations are primarily located in Canada and USA.

($000's)		Canada		USA		Total
December 31, 2024						
Non-current assets						
Investment in mineral properties	$	-	$	5,611	$	5,611
Reclamation deposits	$	-	$	350	$	350
December 31, 2023						
Non-current assets						
Investment in mineral properties	$	-	$	5,346	$	5,346
Reclamation deposits	$	-	$	322	$	322

12) Income taxes

a) The provision for income taxes differs from the amount that would have resulted in applying the combined Canadian federal and provincial statutory income tax rates as follows:

(000's)		December 31, 2024		December 31, 2023
Canadian statutory rate		27.00%		27.00%
Net loss	$	(445)	$	(1,016)
Expected in tax recovery at statutory income tax rates	$	(120)	$	(274)
Non-deductible items and other permanent differences		72		95
Impact of foreign effective tax rates		21		23
Foreign exchange and other		165		76
Change in valuation allowance		(138)		80
Income tax expense	$	-	$	-

b) Deductible temporary differences for which no deferred tax assets have been recognized are attributable to the following:

(000's)		December 31, 2024		December 31, 2023
Deferred income tax assets				
Marketable securities	$	718	$	1,867
Investment in mineral properties		832		2,671
Share issuance costs		16		24
Intercompany debt and net capital loss		193		193
Income tax loss carry forwards		20,413		19,639
Accrued reclamation obligation		337		310
	$	22,509	$	24,704

c) The Company has non-capital losses as follows:

(000's)		December 31, 2024	Expiry
Canada	$	6,464	2025-2044
USA		13,664	2025-2044
Mexico		285	2024-2044
Guatemala		-	no carryforward
	$	20,413	