



GUNPOINT EXPLORATION LTD.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

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

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL RESULTS

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

The accompanying interim condensed financial statements of the company have been prepared in accordance with IFRS and are the responsibility of the company's management. The interim condensed financial statements and related financial reporting matters have been reviewed and approved by the audit committee.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

(\$000's)	Notes	As at March 31, 2025	As at December 31, 2024
ASSETS			
Current assets			
Cash		\$ 635	\$ 788
Accounts receivable and prepaids		12	19
Investments	7	750	636
		1,397	1,443
Non-current assets			
Investment in mineral properties	8	5,616	5,611
Reclamation deposits	8	350	350
		\$ 7,363	\$ 7,404
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 20	\$ 62
Non-current liabilities			
Reclamation obligation	7	337	337
Total liabilities		357	399
SHAREHOLDERS' EQUITY			
Share capital	10	13,538	13,538
Reserves	10	43,850	43,828
Deficit		(50,382)	(50,361)
Total shareholders' equity		7,006	7,005
		\$ 7,363	\$ 7,404

Nature of operations and going concern (Note 1)

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

(\$000's)	Notes	Three months ended	
		March 31, 2025	March 31, 2024
Expenses			
Exploration		\$ 25	\$ 2
General and administrative		33	43
Professional fees		39	40
Share-based compensation	10,11	22	65
Total expenses		119	150
Loss before other items		(119)	(150)
Other expenses (income)			
Foreign exchange loss (gain)		18	(2)
Other income		(2)	(10)
Unrealized gain on investments	7	(114)	(18)
Total other income		(98)	(30)
Net loss and comprehensive loss		\$ (21)	\$ (120)
 Loss per common share, basic and diluted		 (\$0.00)	 (\$0.00)
 Weighted Average Shares Outstanding			
Basic and diluted		51,269,933	50,894,933

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

(\$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, 2023		50,844,933	\$ 13,290	\$ 41,510	\$ 183	\$ 2,069	\$ (49,916)	\$ 7,136
Share-based compensation	10(c)	-	-	-	-	65	-	65
Net loss for the period		-	-	-	-	-	(120)	(120)
Balance at March 31, 2024		50,844,933	\$ 13,290	\$ 41,510	\$ 183	\$ 2,134	\$ (50,036)	\$ 7,081
Balance at December 31, 2024		51,269,933	\$ 13,538	\$ 41,510	\$ 183	\$ 2,135	\$ (50,361)	\$ 7,005
Share-based compensation	10(c)	-	-	-	-	22	-	22
Net loss for the period		-	-	-	-	-	(21)	(21)
Balance at March 31, 2025		51,269,933	\$ 13,538	\$ 41,510	\$ 183	\$ 2,157	\$ (50,382)	\$ 7,006

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(\$000's)	Three months ended	
	March 31, 2025	March 31, 2024
OPERATING ACTIVITIES		
Net loss	\$ (21)	\$ (120)
Items not affecting cash		
Unrealized gain from investments	(114)	(18)
Share-based compensation	22	65
	(113)	(73)
Changes in non-cash working capital		
Amounts receivable and prepaids	7	15
Accounts payable and accruals	(42)	(30)
Cash used in operating activities	(148)	(88)
INVESTING ACTIVITIES		
Additions to investments	-	(25)
Mineral properties expenditures	(5)	-
Cash used in investing activities	(5)	(25)
Change in cash	(153)	(113)
Cash - beginning of year	788	1,328
Cash - end of period	\$ 635	\$ 1,215

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

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 65% of the Company's common shares. The Company's registered office is at Suite 201 - 1512 Yew Street, Vancouver, BC, Canada, V6K 3E4.

These interim condensed 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)		March 31, 2025	December 31, 2024
Excess of current assets over current liabilities	\$	1,377	\$ 1,381
Deficit	\$	(50,382)	\$ (50,361)

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 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards 34, "Interim Financial Reporting" ("IAS34") as issued by the International Accounting Standards Board ("IASB"), and interpretations of the IFRS Interpretations Committee ("IFRIC"). These Financial Statements are prepared in accordance with the same accounting policies, critical estimates and methods described in the Company's audited financial statements. Given that certain information and note disclosures, which are included in the audited financial statements, have been condensed or excluded in accordance with IAS 34, these Financial Statements should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2024, including the accompanying notes thereto, which are available on SEDAR+ at www.sedarplus.ca.

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 May 26, 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
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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.

The estimated and judgements followed in preparing these Financial Statements are consistent with those applied and disclosed in the most recent audited annual consolidated financial statements. For a complete summary of the estimates and judgements, please refer to the Company's audited consolidated financial statements for the year ended December 31, 2024.

4) Material accounting policy information

The accounting policies and methods of computation followed in preparing these Financial Statements are consistent with those applied and disclosed in the most recent audited annual consolidated financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited consolidated financial statements for the year ended December 31, 2024.

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 periods ended March 31, 2025 and 2024. The Company is not subject to externally imposed capital requirements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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.

March 31, 2025		Level 1		Level 2		Level 3		Total
Cash (\$000's)	\$	635	\$	-	\$	-	\$	635
Investments (\$000's)	\$	750	\$	-	\$	-	\$	750
December 31, 2024								
Cash (\$000's)	\$	788	\$	-	\$	-	\$	788
Investments (\$000's)	\$	636	\$	-	\$	-	\$	636

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 periods ended March 31, 2025 or 2024.

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 March 31, 2025, the Company had a cash balance of \$635,000 (December 31, 2024 – \$788,000) to settle current liabilities of \$20,000 (December 31, 2024 - \$62,000). 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.

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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. Certain costs and expenses are incurred in US dollars. 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) Investments

		(\$000's)
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
Unrealized gain		114
Fair value as at March 31, 2025	\$	750

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 three months ended March 31, 2025, the unrealized gain recorded in investments is \$114,000 (2024 - unrealized gain \$18,000).

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8) Mineral properties

(\$000's)		Talapoosa
Balance as at December 31, 2023	\$	5,346
Licence, dues and fees		265
Balance as at December 31, 2024	\$	5,611
Licence, dues and fees		5
Balance as at March 31, 2025	\$	5,616

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 (December 31, 2024: \$350,000) is a reclamation bond in the amount of US\$238,025 and CAD\$7,500 (December 31, 2024: US\$238,025 and CAD\$7,500) for the Talapoosa properties. The change in 2025 was solely due to the change in foreign exchange rates.

The reclamation obligation of \$337,000 (US\$234,424) (2024 \$337,000 - US\$234,424) consists of costs for earthworks, re-contouring, re-vegetation for past exploration activities. The change in 2025 was solely due to the change in foreign exchange rates.

9) Accounts payable and accrued liabilities

(\$000's)		March 31, 2025		December 31, 2024
Accounts payable	\$	20	\$	37
Accrued liabilities	\$	-	\$	25
Accounts payable and accrued liabilities	\$	20	\$	62

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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 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.

During the three months ended March 31, 2025, the Company recognized total share-based compensation expense of \$22,000 (2024 – \$65,000) on vested stock options that were granted in prior years.

As at March 31, 2025, the weighted average remaining contractual life of outstanding stock options is 1.79 years (December 31, 2024 – 2.04 years).

Stock option activity during the three months ended March 31, 2025 and the year ended December 31, 2024 is as follows:

	March 31, 2025		December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Beginning balance	1,365,000	\$0.60	1,740,000	\$0.00
Exercised	-	\$0.00	(375,000)	\$0.60
Ending balance	1,365,000	\$0.60	1,365,000	\$0.60

Details of stock options outstanding as at March 31, 2025 and December 31, 2024 are as follows:

		March 31, 2025		December 31, 2024	
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	1,165,000	780,000
November 10, 2027	\$0.60	200,000	100,000	200,000	100,000
		1,365,000	880,000	1,365,000	880,000

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11) Related party transactions

During the three months ended March 31, 2025 and 2024, there were no management fees incurred for related parties.

During the three months ended March 31, 2025, the Company recognized share-based compensation expense of \$20,000 (March 31, 2024 - \$65,000) for stock options issued in prior years to employees, officers, and directors of the Company.

12) Segment disclosures

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

(\$000's)		Canada		USA		Total
<u>March 31, 2025</u>						
Non-current assets						
Investment in mineral properties	\$	-	\$	5,616	\$	5,616
Reclamation deposits	\$	-	\$	350	\$	350
<u>December 31, 2024</u>						
Non-current assets						
Investment in mineral properties	\$	-	\$	5,611	\$	5,611
Reclamation deposits	\$	-	\$	350	\$	350