

AXCAP VENTURES INC.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

(EXPRESSED IN CANADIAN DOLLARS)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Axcap Ventures Inc.

Opinion

We have audited the consolidated financial statements of Axcap Ventures Inc. and its subsidiary (together, the "Company") which comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated 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 audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 for the year ended December 31, 2024. 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, the key audit matter to be communicated in our auditors' report is as follows:

Acquisition of PGV Patriot Gold Vault Ltd.**Description of the matter**

During the year ended December 31, 2024, the Company completed the acquisition of PGV Patriot Gold Vault Ltd. ("PGV"), a private company that held interests in several early stage mining properties. The transaction was completed through the issuance of common shares of the Company, as described in Notes 1, 6 and 7 of the consolidated financial statements. Additional payments related to one of the mineral properties were subsequently made in shares and cash in December 2024.

This transaction was accounted for as an asset acquisition under IFRS 2, *Share-based Payment*, and related standards, rather than as a business combination under IFRS 3, *Business Combinations*. As a result of this acquisition, the Company changed its business from an investment entity to being primarily a mineral exploration company. This change required the Company to cease applying the investment entity exemption under IFRS 10, *Consolidated Financial Statements*, and to reassess the classification and measurement of previously held investments under IFRS 9, *Financial Instruments*.

This transaction was significant due to:

- The change in business model and associated accounting impact.
- The judgment involved in assessing whether the acquisition met the definition of a business under IFRS 3.
- The identification and measurement of acquired assets including mineral properties.
- The assessment of related party relationships under IAS 24, *Related Party Disclosures*, as the founder of PGV was previously a director and shareholder of the Company .

Given the significance of the transaction and its pervasive impact on the consolidated financial statements, this was determined to be a key audit matter.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included:

- Obtaining and reviewing purchase and property acquisition agreements to assess the nature of the transaction and whether it met the definition of a business under IFRS 3.
- Evaluating management's assessment that the acquisition should be accounted for as an asset acquisition and not a business combination.
- Assessing the fair value measurement of the consideration transferred, including the valuation of the Company's shares issued.
- Evaluating whether the Company obtained enforceable rights to explore the mineral properties in accordance with IFRS 6, *Exploration for and Evaluation of Mineral Resources*, at or prior the acquisition date, particularly for properties where only deposits had been paid by PGV.
- Assessing the accounting for subsequent payments made in connection with one of the properties, including classification and recognition of amounts paid in shares and cash.
- Evaluating whether the change in business model resulted in the loss of investment entity status under IFRS 10, and reviewing the Company's assessment for the reclassification of prior investments under IFRS 9.
- Reviewing related party disclosures under IAS 24, including an assessment whether the historical relationship between one of the Company's director and PGV was appropriately disclosed.
- Considering the adequacy of disclosures in the consolidated financial statements regarding this transaction, the change in business, and the impact on accounting policies.
- Reviewing the Board of Directors' minutes and approvals, and other available documentation, to understand the governance approvals and oversight related to the transaction.

Other Information

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

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 identified above 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.

If, based on the work we have performed on this other information, 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 as issued by the International Accounting Standards Board, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 auditors' report is Artem Valeev.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
May 5, 2025.

AXCAP VENTURES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 and 2023

(Expressed in Canadian Dollars)

		December 31, 2024		December 31, 2023
ASSETS				
Current Assets				
Cash	\$	11,849,696	\$	110,063
GST receivable (Note 9)		15,419		-
Loans receivable (Note 8)		397,907		411,018
Prepaid expenses and deposits (Notes 10, 22)		1,140,082		-
		13,403,104		521,081
Equity investments (Note 11, 22)		1,450,666		713,379
Exploration and evaluation assets (Note 7)		2,301,633		-
Total Assets	\$	17,155,403	\$	1,234,460
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables (Notes 12, 22)	\$	690,832	\$	479,648
Loans payable (Note 13, 22)		250,000		-
		940,832		479,648
EQUITY				
Share capital (Note 15)		29,361,761		23,834,296
Contributed surplus		760,511		760,511
Reserves (Notes 15, 16, 17, and 18)		19,460,818		5,162,969
Deficit		(33,368,519)		(29,002,964)
		16,214,571		754,812
Total Liabilities and Equity	\$	17,155,403	\$	1,234,460

Going Concern (Note 2)

Commitments (Note 25)

Subsequent Events (Note 26)

Approved on behalf of the Board of Directors

<u>"Ken Cotiamco"</u> Ken Cotiamco	Director	<u>"Desmond Balakrishnan"</u> Desmond Balakrishnan	Director
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The accompanying notes are integral to these consolidated financial statements

AXCAP VENTURES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

	December 31, 2024	December 31, 2023
OPERATING EXPENSES		
Consulting fees (Note 22)	\$ 1,353,155	\$ 74,280
Exploration expenses (Note 7)	475,517	-
Foreign exchange gain (loss)	(18,341)	3,147
Legal and professional fees (Note 22)	652,949	94,293
Marketing and advertising	196,823	118
Office and administrative (Note 22)	695,923	269,597
Share-based payments (Notes 18, 19, 22)	332,492	-
Transfer agent and regulatory fees	135,233	27,823
Travel	76,350	15,148
Operating Expenses	(3,900,101)	(484,406)
OTHER INCOME (EXPENSES)		
Interest income (Note 8)	42,420	12,538
Interest expense	(549)	(1,808)
Forgiveness of debts	21,000	-
Transaction expenses (Note 6)	(668,877)	-
Write off of GST refundable (Note 9)	(100,997)	(16,644)
Gain (loss) on sale of equity investments (Note 11)	(66,627)	(389,685)
Gain (loss) on change in fair value of equity investments (Note 11)	27,262	(405,466)
Change in fair value of loan receivable	-	(431,694)
Recovery from investment written off in prior year (Note 8)	179,985	-
Realized gain of investments (Note 8)	945,289	-
Write off of equity investments (Note 11)	(54,844)	-
Write off of deposits (Note 10)	(353,990)	-
Write off of loan receivable (Note 8)	(435,526)	-
	(465,454)	(1,232,759)
NET LOSS AND COMPREHENSIVE LOSS	\$ (4,365,555)	\$ (1,717,165)
Basic and diluted earnings (loss) per share (Note 21)	\$ (0.06)	\$ (0.33)
Weighted average number of common shares outstanding – basic and diluted (Note 21)	69,748,057	5,234,656

The accompanying notes are integral to these consolidated financial statements

AXCAP VENTURES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

	December 31, 2024	December 31, 2023
Cash Flows from (used in) in Operating Activities		
Net loss for the year	\$ (4,365,555)	\$ (1,717,165)
Adjustments for items not affecting cash		
Forgiveness of debts	(21,000)	-
Realized gain of investments	(945,289)	-
Loss (gain) on sale of equity investments (Note 11)	66,627	389,685
Loss (gain) on change in fair value of equity investments (Note 11)	(27,262)	405,466
Interest income (Note 8)	(41,895)	(18,712)
Share-based payments	332,492	-
Write off of equity investments (Note 11)	54,844	-
Write off of deposits (Note 10)	353,990	-
Write off of loan receivable (Note 8)	435,526	-
Change in fair value of loan receivables	-	431,694
	(4,157,522)	(509,032)
Changes in non-cash working capital:		
GST receivable	(15,419)	-
Other receivables	-	(720,000)
Prepaid expenses and deposits	(1,494,072)	-
Trade and other payables	232,183	238,754
	(5,434,830)	449,722
Cash Flows from (used in) Investing Activities		
Acquisition of mineral properties and exploration and evaluation expenditures (Note 7)	(1,124,168)	
Purchase of equity investments (Note 11)	(191,807)	(1,780,192)
Purchase of convertible debentures (Note 8)	-	(400,000)
Sale of equity investments (Note 11)	740,607	1,521,832
Payment of Converse expenses (Note 8)	(435,526)	-
Loans advanced (Note 8)	(380,000)	110,437
	(1,390,894)	(547,923)
Cash Flows from (used in) Financing Activities		
Issuance of shares (Note 15)	4,350,000	-
Issuance of special warrants (Note 14)	13,965,357	-
Loan from related parties (Note 22)	250,000	-
	18,565,357	-
Change in cash during the year	11,739,633	(98,201)
Cash – Beginning of year	110,063	208,264
Cash – End of year	\$ 11,849,696	\$ 110,063

Significant non-cash transactions excluded from investing activities:

- 4,583,333 common shares issued to acquire PGV Patriot Gold Vault Ltd.

The accompanying notes are integral to these consolidated financial statements

AXCAP VENTURES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars, except number of shares)

	Common Shares		Contributed Surplus	Reserves	Deficit	Total
	Number of Shares*	Amount				
Balance – December 31, 2022	5,234,661	\$ 23,834,296	\$ 760,511	\$ 5,162,969	\$ (27,285,799)	\$ 2,471,977
Net and comprehensive loss for the year	-	-	-	-	(1,717,165)	(1,717,165)
Balance – December 31, 2023	5,234,661	23,834,296	760,511	5,162,969	(29,002,964)	754,812
Shares issued for cash (net of issuance costs)	172,799,814	4,350,000	-	-	-	4,350,000
Shares issued for acquisitions	14,061,223	1,177,465	-	-	-	1,177,465
Share-based payments	-	-	-	332,492	-	332,492
Special warrants issued for cash (net of issuance cost)	-	-	-	13,965,357	-	13,965,357
Net and comprehensive loss for the year	-	-	-	-	(4,365,555)	(4,365,555)
Balance – December 31, 2024	192,095,698	\$ 29,361,761	\$ 760,511	\$ 19,460,818	\$ (33,368,519)	\$ 16,214,571

*On May 21, 2024, the Company consolidated its issued and outstanding shares on a 10 to 1 basis which resulted in 2,181,124 shares outstanding post-consolidation. All references to common shares and warrants in these consolidated financial statements have been adjusted to reflect this change.

*Effective October 24, 2024, the Company split its issued and outstanding common shares on a 1 to 2.4 basis which resulted in 189,034,658 shares outstanding post-split. All references to common shares and warrants in these consolidated financial statements have been adjusted to reflect this change.

The accompanying notes are integral to these consolidated financial statements

AXCAP VENTURES INC.
NOTES TO THE CONDOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

1. General Information

Axcap Ventures Inc. ("AVI" or "Axcap" or the "Company") was incorporated on February 20, 1987 under the Business Corporation Act (Ontario).

Axcap is a public company which is listed on the Canadian Securities Exchange ("CSE") under the symbol "AXCP". The Company's head office is 1030 West Georgia Street, Suite 1507, Vancouver, BC, V6E 2Y3, and registered and records office is located 1055 W. Georgia Street, Suite 1500, PO Box 11117, Vancouver, BC, V6E 4N7.

Nature of Business

Prior to August 30, 2024, the Company operated as an investment entity under IFRS 10 *Consolidated Financial Statements*, investing in a portfolio of private and public entities across various industries including life sciences, mining, industrial and technology. The Company measured its investments at fair value through profit or loss ("FVTPL").

On August 30, 2024, the Company completed the 100% acquisition of PGV Patriot Gold Vault Ltd. ("PGV"), which resulted in the consolidation of the operations of PGV (Note 6). As a result of this change, the Company no longer qualifies as an investment entity under IFRS 10.

Accordingly, effective on August 30, 2024, the Company has:

- Ceased applying investment entity accounting, and
- Adopted a new accounting framework consistent with an operating entity.

The consolidated financial statements reflect this change on a prospective basis from August 30, 2024.

Retained Investments

The Company continues to hold certain legacy investments, including equity investments in both public and privately held companies. These investments continue to be accounted for in accordance with IFRS 9 *Financial Instruments*. Under IFRS 9, equity investments must be classified either as:

- Fair Value Through Other Comprehensive Income ("FVTOCI"), which is an irrevocable election at initial recognition, or
- Fair Value Through Profit or Loss ("FVTPL"), which is the default classification.

The Company has elected not to designate any of the retained equity investments as FVTOCI. Instead all such investments are classified as FVTPL and are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss. This classification reflects the Company's current strategy to manage these investments for potential disposal or value realization through market fluctuations.

These consolidated financial statements have been prepared 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 rather than through a process of forced liquidation.

AXCAP VENTURES INC.
NOTES TO THE CONDOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

2. Going Concern

These consolidated financial statements have been prepared by management on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

As at December 31, 2024, the Company had an accumulated deficit of \$33,368,519 (December 31, 2023 - \$29,002,964). The Company's ability to continue as a going concern is dependent upon its ability to achieve and maintain profitable operations and to generate funds therefrom or obtain additional financing. There is a risk that additional financing may not be available on a timely basis or on terms acceptable to the Company. These matters constitute material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

3. Basis of Preparation

a. 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"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 5, 2025.

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b. Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. Inter-company transactions and balances are eliminated upon consolidation.

Subsidiary	Ownership	Location
PGV Patriot Gold Vault Ltd. ("PGV")	100%	BC, Canada
PGV US Corp. ("PGV-US")	100%	Wyoming, USA

c. Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Company and its subsidiary is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar while the functional currency of the US subsidiary is the US dollar.

(Expressed in Canadian Dollars)

4. Material Accounting Policies

(i) *Financial Instruments*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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. An expected credit loss (ECL) allowance is recognized for financial assets measured at amortized cost and for investments in debt instruments measured at FVOCI. The Company does not have any financial assets that require an expected credit loss ("ECL") allowance.

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 gain 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 loss and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An ECL 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 loss and comprehensive loss.

4. Material Accounting Policies (continued)

(ii) Impairment of Non-Financial Assets

The Company performs impairment tests on its long-lived assets, including property, plant and equipment when new events or circumstances occur, or when new information becomes available relating to their recoverability. When the recoverable amount of each separately identifiable asset or cash generating unit ("CGU") is less than its carrying value, the asset or CGU's assets are written down to their recoverable amount with the impairment loss charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss. A reversal of the impairment loss in a subsequent period will be charged against profit or loss if there is a significant reversal of the circumstances that caused the original impairment. The impairment will be reversed up to the amount of the depreciated carrying value that would have otherwise occurred if the impairment loss had not occurred.

The CGU's recoverable amount is evaluated using fair value less costs of disposal calculations. In calculating the recoverable amount, the Company utilizes discounted cash flow techniques to determine fair value when it is not possible to determine fair value when active markets or a written offer to purchase. Management calculates the discounted cash flows based upon its best estimate of a number of economic, operating, engineering, environmental, political and social assumptions. Any changes in the assumptions due to changing circumstances may affect the calculation of the recoverable amount.

(iii) Fair Value Measurement

Where fair value is used to measure assets and liabilities in preparing these consolidated financial statements, it is estimated at the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair values are determined from inputs that are classified within the fair value hierarchy defined under IFRS as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Inputs for the asset or liability that are unobservable

Financial instruments classified as Level 2 investments are valued based on the most recent financings and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

Financial instrument classified as Level 3 investments are valued based on information provided by management about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acts in their economic best interest.

AXCAP VENTURES INC.
NOTES TO THE CONDOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

4. Material Accounting Policies (continued)

(iii) Fair Value Measurement (continued)

The Company holds equity investments consisting of common shares and warrants held in public and non-public companies. At the end of each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and records such valuations in the financial statements. Warrants of non-public companies are valued using option pricing models when there are sufficient and reliable observable market inputs.

Equity investments are initially recorded at fair value at the time of acquisition. At each reporting period thereafter, the fair value of an investment may, depending on circumstances, be adjusted by taking into account the following circumstances:

- There has been a significant subsequent equity financing provided by outside investors at a valuation above or below the current fair value of the investee, in which case the fair value of the investment is adjusted to reflect the value at which the financing took place;
- Based on financial information received from the investee it is apparent to the Company that the investee is unlikely to be able to continue as a going concern, in which case the fair value of the investment is adjusted downward;
- The investee is placed into receivership or bankruptcy;
- There have been significant corporate, political, operating or economic events affecting the investee that, in the Company's opinion, have a positive or negative impact on the investee's prospects and, therefore, its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be ultimately realized or realizable. Such events include, without limitation:
 - receipt or denial of necessary approvals that allow or prevent the investee to proceed with its project(s);
 - release by the investee of positive or negative operating results, which either proves or disproves its business plan; and
 - management personnel changes at the investee level that the Company's management believes will have a very positive or negative impact on the investee's ability to achieve its objectives and build value for shareholders.

In addition to the circumstances described above, the Company will take into account general market conditions when determining if an adjustment to the fair value of an investment is warranted at the end of each reporting period.

Application of the valuation techniques described above may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized. Estimating the fair value for non-public companies involves a significant amount of judgement using Level 2 and Level 3 inputs. The amount at which an investment could be disposed of may differ from its carrying value due to the availability and/or reliability of information available to, and determinations reached by, the Company. Any fair value estimated by the application of these techniques may not ultimately be realized. Transaction costs incurred in the purchase and sale of investments are recorded as an expense in the consolidated statement of loss and comprehensive loss.

4. Material Accounting Policies (continued)

(iv) Business Combinations

Acquisitions of businesses, or of assets when the definition of a business is not met, are accounted for using principles applicable to the acquisition method as described in IFRS 3, *Business Combinations*. The consideration of each such combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquired. Acquisition-related costs are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the consideration of the acquisition over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the fair value of the acquiree's net identifiable assets, liabilities and contingent liabilities exceeds the costs of the acquisition, the excess is recognized in profit or loss immediately. Goodwill may also arise as a result of the requirement under IFRS to record a deferred tax liability on the excess of the fair value of the acquired assets over their correspondence tax bases, with the corresponding offset recorded as goodwill.

(v) Foreign Currency Translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates.

Transactions and Balances

Foreign currency transactions are translated into functional currency 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 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 loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains or losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve is equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

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4. Material Accounting Policies (continued)

(vi) Exploration and Evaluation Assets

Pre-exploration costs are expensed as incurred.

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties as acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units-of-production method on commencement of commercial production.

The carrying values of capitalized amounts are reviewed annually or when indicators of impairment are present. In the case of undeveloped properties that may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the intentions for the development of such a property.

If it is determined that capitalized acquisition, exploration and evaluation costs are recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

(vii) Cash

Cash is comprised of cash at banks as well as cash held in trust accounts. The Company's cash at banks is held with major financial institutions in business accounts, which are available by the Company for its programs and are not invested in any asset backed deposits/investments.

(viii) Share Capital

The Company records the proceeds received net of direct issuance costs from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common shares and warrant component. The Company has adopted the residual method with respect to the measurement of shares and warrants issued as private placement units. The residual method first allocates fair value to the component with the best evidence of fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued is determined to be the component with the best evidence of fair value. The balance, if any, is allocated to the attached warrants.

(ix) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (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 share purchase 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.

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4. Material Accounting Policies (continued)

(x) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(xi) 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.

(xii) Standards Issued but Not Effective

IFRS 18 *Presentation and Disclosure in Financial Statements* was issued in April 2024 by IASB and replaces IAS 1 *Presentation of Financial Statements*. The standard introduces defined structure to the consolidated statement of loss and comprehensive loss with related specific disclosure requirements. IFRS 18 is effective January 1, 2027 and is required to be adopted retrospectively. Early adoption is permitted. The Company is assessing the impact of IFRS 18 on the Company's consolidated financial statements.

5. Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Company has made in the preparation of its consolidated financial statements.

Areas of judgement

(i) Exception to Consolidation

Prior to August 30, 2024, the Company applied the exception to consolidation of subsidiaries available to investment entities. Management had determined that the Company qualified for the exemption as per IFRS 10, *Consolidated Financial Statements* from consolidation given that the Company had the following typical characteristics of an investment entity prior to August 30, 2024:

- a. Obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- b. Committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- c. Measured and evaluated the performance of substantially all of its investments on a fair value basis.

As at August 30, 2024, the Company no longer applied the exception to consolidation of certain subsidiaries as the Company acquired 100% of a private mineral resource exploration company and did not meet the exception requirements.

(ii) Assessment of Impairment Indicators

The Company assesses at each reporting period whether there is an indication of impairment. Material judgment is applied in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (1) a significant decline in the market value of the Company's share price; (2) changes in the quantity of the recoverable resources and reserves; (3) changes in precious metal prices; and (4) changes in inflation, interest, and exchange rates, are evaluated in determining whether there are any indicators of impairment.

(iii) Going Concern

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will be able to continue as a going concern. Further disclosure is included in Note 2.

(iv) Deferred Tax Assets

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Management applies judgment in determining the likelihood of future taxable profits.

5. Critical Accounting Estimates and Judgements (continued)

Areas of judgement (continued)

(v) *Determination of Fair Values*

Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. For equity investments not quoted in an active market, where Level 1 inputs are not available the Company estimates the fair value based on the criteria described under Note 4(iii). Significant judgement is required for the Company's investment in non-public companies as well as the Company's loans receivable using Level 2 and Level 3 inputs.

Assumptions and critical estimates

(i) *Reclamation Liability*

The valuation of any reclamation liability is subject to significant judgement and estimates. Assumptions, based on the current economic environment, are made to estimate the future liability. These estimates consider any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to the liability form period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the expenditures are actually incurred. The final cost of the reclamation liability currently recognized may be higher or lower than currently provided for.

(ii) *Share-Based Payments*

The Company utilizes the Black-Scholes Option Pricing Model ("Black-Scholes") to estimate the fair value of stock options granted to directors, officers and consultants. The use of Black-Scholes requires management to make various estimates and assumptions that impact the value assigned to the stock options including the forecast future volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the stock options. Any changes in these assumptions could have a material impact on the share-based compensation calculation value, however, the most significant estimate is the volatility.

Equity-settled share-based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably. If fair value cannot be estimated reliably, the goods or services received are measured at the fair value of the equity instruments granted, measured at the date the goods or services are received.

(iii) *Tax Assets and Liabilities*

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rate as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

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6. Acquisition of PGV Patriot Gold Vault Ltd.

On August 30, 2024, pursuant to the Share Exchange Agreement (the "Agreement"), between the Company and PGV Patriot Gold Vault Ltd. ("PGV"), the Company acquired all the issued and outstanding common shares of PGV by issuing 4,583,333 common shares (pre-October share split) or 10,999,999 common shares (post-October share split) of the Company. The purchase of PGV gave the Company access to the Rattlesnake Hills Gold Project.

One director of the Company owned approximately 10% of the total issued and outstanding common shares of Axcap prior to the acquisition of PGV. The same director was also the founding member and sole owner of PGV from the date of its incorporation on April 23, 2023 until June 3, 2024.

In addition, two directors of Axcap served as nominee directors of PGV during this period. Both nominee directors resigned from PGV on June 3, 2024, and a new management team was appointed. As a result, from April 23, 2023 to June 3, 2024, Axcap and PGV were considered related parties by virtue of common directorship.

The transaction with PGV was reviewed by the Board of Directors (excluding the related party director/the director) and was conducted on terms believed to approximate those that would have been agreed to between unrelated parties.

At the time of the acquisition of PGV by Axcap on August 30, 2024, there were no common directors or officers between Axcap and PGV, and the director who previously held ownership in PGV had also relinquished his ownership interest.

The acquisition was accounted for as an asset acquisition as PGV did not meet the definition of a business as defined in IFRS 3 *Business Combinations*.

As a result of this acquisition, a transaction expense of \$668,877 has been recorded. This reflects the excess of the consideration the fair value of PGV's net assets as the Company did not obtain legal rights to explore the Rattlesnake Hills Gold Project until December 16, 2024.

The allocation of the consideration transferred is summarized as follows:

Consideration:		
Number of Axcap common shares issued		4,583,333
Fair value of Axcap shares on August 30, 2024	\$	0.13
		595,833
Cash in the form of a loan from Axcap to PGV		360,000
	\$	955,833
Fair values of the net assets of PGV:		
Cash	\$	830
GST receivable		3,493
Deposits		603,990
Mineral properties		20,000
Accounts payables		(91,357)
Loans payable		(250,000)
Transaction expenses	\$	668,877

PGV's loans payable were from Commodity Partners, a related party to the Company and PGV. The loan from Commodity Partners was repaid in February 2025, see Notes 22 and 26.

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7. Exploration and Evaluation Assets

Title to exploration and evaluation asset interests 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 historical title conveyance characteristics of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, titles to all of its interests are in good standing. The mineral properties were part of the acquisition of PGV, see Note 6.

	Gulliver River	Rattlesnake Hills	Total
	\$	\$	\$
Balance, December 31, 2023 and 2022	-	-	-
Acquisition costs	20,000	2,281,633	2,301,633
Balance, December 31, 2024	20,000	2,281,633	2,301,633

Rattlesnake Hills Gold Project (Wyoming, USA)

On September 24, 2024, the Company, through its wholly-owned subsidiary PGV, signed a definitive agreement with GFG Resources Inc. ("GFG"), pursuant to a mineral property purchase agreement (the "Agreement") dated August 15, 2024, to acquire a 100% interest in the Rattlesnake Hills Gold Property (the "Rattlesnake Hills"), located in the County of Natrona, State of Wyoming, United States.

Pursuant to the terms of the agreement, PGV will pay GFG aggregate consideration of approximately \$3.3 million to acquire the project in addition to certain milestone and resource bonus payments.

Pursuant to the terms of the agreement, PGV shall make the following payments to GFG to acquire the project:

- Cash payment of \$250,000 to GFG on signing of the letter of intent ("LOI") (the LOI deposit was paid on May 8, 2024); and
- Cash payment of \$250,000 to GFG upon the execution and delivery of the Agreement (paid on August 23, 2024).

On closing of the transaction, PGV will:

- Make a cash payment of \$1.2 million to GFG (paid on December 16, 2024);
- Issue to GFG the greater of 3 million common shares or \$600,000 in value of consideration shares based on the volume-weighted average trading price of the consideration shares for the 20 trading days immediately preceding the closing date or, in the event that PGV is not listed, the value of the consideration shares shall be determined by the last financing price of common shares of PGV sold to arm's length investors. During the year ended December 31, 2024, the Company issued 3,061,224 common shares of the Company on closing of the transaction with GFG;
- On the date that is 12 months following the closing date of the transaction, PGV will pay GFG a cash payment of \$1 million. On closing of the transaction, PGV will replace the US\$219,000 reclamation bond for the project. If a National Instrument 43-101, *Standards for Disclosure for Mineral Projects*, resource estimate in the project reveals a mineral resource of greater than 3 million ounces of gold in a measured and indicated or inferred category, PGV will pay GFG a further \$1 per total mineral resource ounce in cash or consideration shares at the election of PGV.

The NI 43-101 revealed an indicated mineral resource of 612,000 ounce gold and inferred mineral resource of 432,000 ounce for a total mineral resource of approximately 1.04 million ounces of gold. PGV is not obligated to make any additional payments to GFG under this clause.

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7. Exploration and Evaluation Assets (continued)

Rattlesnake Hills Gold Project (Wyoming, USA) (continued)

- PGV shall reimburse GFG and cover all costs and expense relating to the project incurred from the date of the signed LOI to the closing date. During the year ended December 31, 2024, the Company has reimbursed GFG for all costs and expenses to the project from the date of the LOI to closing date.

On March 14, 2025, the Company and GFG agreed to amend the purchase agreement to extend the date the Company assumes the reclamation obligations and bond release to within 120 days of closing.

On April 11, 2025, the Company and GFG amended the purchase agreement again to extend the date the Company assumes the reclamation obligations and bond release to within 165 days of closing.

Subsequent to the year ended December 31, 2024, the Company posted a reclamation bond of US\$214,000.

Rattlesnake Hills project is subject to the following royalties:

- Miller Royalty**
The Miller Royalty is a 4% net smelter return ("NSR") royalty paid to the owners for all gold and silver mined. It includes the 30 Miller claims and one-mile buffered area surrounding these claims that overlaps with any mining property, claim or free land. PGV has the option to purchase 2% of the Miller Royalty for US\$2,000,000 exercisable for any time in perpetuity.
- Rattlesnake (Evolving Gold) Royalty**
The Evolving Gold claims are subject to production royalty equal to 2% NSR, paid to Rattlesnake Mining (Wyoming), a wholly-owned subsidiary of Evolving Gold. PGV has the option for a buy-down, to purchase 1% of the NSR for US\$1,000,000 exercisable at any time in perpetuity. The Rattlesnake Mining (Wyoming) Royalty only applies to those claims not subject to the Miller Royalty.
- Orion (Evolving Gold) Royalty**
The entire land package covered by the Evolving Gold Claims is subject to an additional 0.5% NSR held by Orion, the success to Golden Predator. The Orion Royalty has an additional area of interest subject to the 0.5% NSR. All newly located unpatented mining claims acquired in this area are eligible; however, this area is not clearly defined due to map illegibility.
- Endurance Royalty**
The Endurance Royalty is a 2% NSR from the production and sale of products from the Endurance claims owed to Endurance Resources. The Glasscock Claims are also subject to this NSR. State leases that comprise the Endurance Agreement are subject to a 1% NSR. PGV has the option to purchase 1% of the Endurance Royalty for US\$1,500,000.
- IEV and New Strike Royalties**
The IEV and New Strike Royalties are defined for the IEV claims and leases, previously co-owned by Innovation Exploration Ventures and Newstrike Ltd. The terms of the royalties are the same for both. The royalties comprise a 1% NSR from the production and sale of products from the IEV claims and 0.5% NSR from the IEV state lease. The royalties are subject to a buy-back for the sum of US\$250,000, which consists of 0.5% NSR for the unpatented lode claims and 0.25% NSR for the state lease. This offer is exercisable at any time in perpetuity.

During the year ended December 31, 2024 and prior to the closing date of the Rattlesnake Hills transaction, the Company incurred \$516,509 on the Rattlesnake Hills project and the amount was recorded as exploration expenses in the consolidated statement of loss and comprehensive loss.

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7. Exploration and Evaluation Assets (continued)

Gulliver River Project (Ontario, Canada)

Gulliver River, comprised of 20 claims, is a grassroots gold exploration project located in Ontario, Canada, on the boundary of Kenora and Rainy River Districts.

8. Loans Receivable

(a) Current Loans Receivable

On August 16, 2023, the Company entered into an agreement with Light AI Inc. ("Issuer") for convertible debentures of \$400,000 in principal with interest bearing at 6% per annum. The Issuer is expected to become a public company ("Resulting Issuer") through a reverse takeover transaction (the "Transaction"). The convertible debentures are to automatically convert to common shares of the Issuer at \$0.90 per share upon the closing the Transaction. The maturity date of the convertible debentures is the earlier of (i) October 30, 2023 or such other date as may be agreed to by the Company and the Issuer provided that no maturity shall occur on such date if the Transaction occurs at such time; (ii) the date of the Transaction closing; and (iii) the date of termination of the Transaction.

The Company is to receive \$200,000 from the Issuer if on the maturity date these debentures have not automatically converted into common shares of the Resulting Issuer, and the remaining balance of the principal amount plus all accrued and unpaid interest shall automatically converted into common shares of the Issuer at \$2.14 per share.

During the year ended December 31, 2024, the Company agreed to extend the maturity date of the convertible debentures to the date of the Issuer's Transaction. The extension removes the partial conversion requirements noted in the original convertible debt agreement. The Issuer closed its Transaction on December 16, 2024; in addition, the Issuer also closed a financing on December 30, 2024 for gross proceeds in excess of \$16 million. Upon closing of the Transaction, the convertible debentures, totaled \$435,006 including interest, were automatically converted into 1,840,394 common shares of the Issuer. The fair value of the shares received as at December 31, 2024 was \$1,380,296 and the Company continued to hold these shares as part of its equity investment portfolio; the Company recognized a realized gain of \$945,289 for the year ended December 31, 2024.

On July 12, 2024, the Company entered into a promissory note with Converse Acquisitions Company, Limited ("Converse Acquisitions") for a loan of \$380,000 in principal with interest bearing at 10% per annum. The loan is unsecured and due on demand. As at December 31, 2024, the balance of the loan was \$397,907 which included \$17,907 in accrued interest.

In addition, the Company advanced \$435,526 to Converse Resources, LLC, the subsidiary of Converse Acquisitions during the year ended December 31, 2024. As at December 31, 2024, the Company wrote off \$435,526 as the Company would not be reimbursed by Converse Acquisitions.

Subsequent to the year ended December 31, 2024, the Company completed its acquisition of 100% outstanding common shares of Converse Acquisitions. See Note 26.

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8. Loans Receivable (continued)

(b) Long-Term Loans Receivable

In March 2021, the Company participated in an unsecured debenture financing of an unrelated third party (the "Borrower") in the amount of \$500,000 and due on April 30, 2024. Instead of interest payments, the Company is entitled to receive a participation right payments equal to five percent of the Borrower's realized net monthly revenues within 30 days of each month-end. Such participation right payments shall be calculated from the Borrower's realized net revenues reported in the monthly financial report, which is submitted to the Borrower's regulators adjusted for non-realized inventory gains or losses. In addition, the Company shall receive annually, a net profit interest participation right payment within 90 days of each fiscal years of from 2021, 2022, and 2023, equal to five percent of the Corporation's net realized profits.

In January 2022, the Company and the Borrower signed an amending agreement to the original debenture agreement whereby effective January 1, 2022, the participation right payment shall equal to 0.05% of the Borrower's realized net operating income, instead of five percent in the original agreement. Furthermore, the Company shall receive annually a net profit participation right payment equal to 0.05% of the Borrower's net realizable profit instead of five percent in the original agreement.

During the year ended December 31, 2024, the Company received \$nil (December 31, 2023 - \$nil) in participation right payments from the Borrower as interest income. In November 2023, the Company obtained financial reports of the Borrower and has determined that it is unlikely that the Borrower will be able to repay the loan at the maturity date of the loan; as a result, the Company wrote off the entire loan receivable as at December 31, 2023. The fair value of the loan receivable was \$nil as at December 31, 2024 and 2023.

During the year ended December 31, 2024, the Company received \$179,985 from the Borrower and recorded the amount as a recovery from investment written off.

9. GST Receivable

During the year ended December 31, 2024, the Company wrote off GST receivables of \$100,997 (2023 - \$16,644) as the Company's head office is not eligible to claim input tax credits due to its business activities do not collect GST. PGV has a GST balance of \$15,419 as at December 31, 2024.

10. Prepaid Expenses

		December 31, 2024	December 31, 2023
Prepays	\$	1,040,082	\$ -
Deposits		100,000	-
	\$	1,140,082	-

The Company paid \$100,000 deposit towards the acquisition costs of Newton Project, a gold exploration project consisting of 20 claims, located southwest of Williams Lake, British Columbia, Canada. (See Note 25)

The Company was in negotiation for another mining project, Cracker Creek which comprised of 84 claims and is a gold exploration project located in Baker County, Oregon, USA, in the Elkhorns Mountains, which are part of the Blue Mountains of northeastern Oregon and southwestern Washing. As at December 31, 2024, the negotiation for Cracker Creek did not go well and the Company wrote off the deposit of \$353,990.

During the year ended December 31, 2024, the Company paid \$250,000 to a director as prepayment for his services from April 2024 to March 2025, \$250,000 to another director as prepayment for his services from April 2024 to September 2025, and \$75,000 to a third director for 7.5 months of his services. As at December 31, 2024, the balances in prepaids for these 3 directors were \$62,500, \$125,000 and \$15,000 respectively (Note 22).

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11. Equity Investments

The Company's equity investments are comprised of investments in common shares of Canadian publicly traded and non-public companies. The Company measures its equity investments at fair value through profit or loss ("FVTPL"). The cost and fair values of the equity investments at December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Opening Balance	\$ 713,379	\$ 1,250,169
Additions	1,572,103	1,780,193
Disposals	(740,607)	(1,521,832)
Realized loss on disposals	(66,627)	(389,685)
Write off of investments	(54,844)	-
Change in unrealized fair value loss	27,262	(405,466)
Ending Balance	\$ 1,450,666	\$ 713,379

The details of the Company's equity investments are as follows:

Investee	Type	No. of Shares/Warrants Held		
		2024	2023	
1342300 BC Ltd.	Private	Shares	100,000	100,000
Alaska Energy Metals Corp.	Public	Shares	-	506,000
Alaska Energy Metals Corp.	Public	Warrants	125,000	-
Coppernico Metals Inc.	Public	Warrants	10,000	-
GH Power Inc.	Private	Shares	83,333	83,333
Lannister Mining	Private	Shares	100,000	100,000
Light AI Inc.	Public	Shares	1,840,394	-
MCF Energy Ltd.	Public	Shares	400,000	400,000
Newt Corporation	Private	Shares	575,000	575,000
Purpose ESG	Private	Shares	300,000	300,000
Recharge Resources Ltd	Public	Warrants	-	1,000,000
Rockland Resources	Public	Warrants	-	50,000
RUA Gold	Public	Shares	47,223	3,229,500
Total Helium	Public	Warrants	200,000	200,000
Trillion Energy International	Public	Warrants	-	248,485

Of its investments, RUA Gold, Lannister Mining and Alaska Energy Metals Corp. are related to the Company due to common management and/or directors (Note 22).

12. Trade and Other Payables

	December 31, 2024	December 31, 2023
Taxes payable	\$ 48,262	\$ 48,262
Trade payables	642,570	431,386
	\$ 690,832	\$ 479,648

Trade and other payables are comprised primarily of trade payables incurred in the normal course of business. Included in trade payables are amounts totalling \$63,531 as at December 31, 2024 (2023 - \$203,206) due to related parties (see Note 22).

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13. Loans Payable

During the year ended December 31, 2024, PGV borrowed \$250,000 from a related party. The loan is non-interest bearing, unsecured and due on demand. Subsequent to the year ended December 31, 2024, PGV repaid the loan fully to the related party, see Note 22.

14. Special Warrants

In December 2024, the Company issued an aggregate 73,603,500 special warrants at a price of \$0.20 for gross proceeds of \$14,720,700. Each special warrant will automatically convert into one unit of the Company. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 for a period of five years following the closing date. Also see Note 15.

As at December 31, 2024, the Company had the following special warrants issued and outstanding:

Date Issued	Exercise Price	Number of Special Warrants Outstanding
December 12, 2024	\$ 0.20	71,153,500
December 27, 2024	\$ 0.20	2,450,000
		<u>73,603,500</u>

As at December 31, 2024, the special warrants had not converted into units.

Subsequent to the year ended December 31, 2024, the Company issued 5,540,000 special warrants and paid finders fees consisting of \$7,000 in cash and 91,000 finders' warrants; and all 79,143,500 the special warrants were converted from units to common shares. See Note 26.

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15. Share Capital

(a) Authorized Share Capital

The Company is authorized to issue unlimited number of common shares without par value.

(b) Issued Share Capital

In December 2024, the Company issued 3,061,224 common shares to GFG Resources Inc., the vendor of Rattlesnake Hills Gold Project, as partial consideration for acquiring certain mineral claims and leasehold interests in certain mineral leases pursuant to the mineral property purchase agreement dated August 15, 2024, as amended December 2, 2024, March 14, 2025 and April 11, 2025. See Note 7.

On December 12, 2024, the Company closed the first tranche of its non-brokered private placement financing (the "Offering") whereby the Company issued 71,153,500 special warrants ("Special Warrants") at a price of \$0.20 per Special Warrant for gross proceeds of \$14,230,700. On December 27, 2024, the Company closed the second tranche whereby the Company issued 2,450,000 Special Warrants for \$0.20 per Special Warrant for gross proceeds of \$490,000. Each Special Warrant automatically convert into one unit of the Company. Each unit consists of one common share and one common share purchase warrant. Each warrant shall entitle the holder to acquire one common share at a price of \$0.20 per share for a period of five years following the closing date. Each Special Warrant will automatically convert, for no additional consideration, into one unit on the date that is the earlier of: (i) the third business day after (a) a receipt for a final prospectus or (b) the date of filing a prospectus supplement to a short-form base shelf prospectus qualifying the distribution of the shares and warrants issuable upon the conversion of the Special Warrants, or (ii) four months and one day after the issue date of the Special Warrants. The Company paid finder's fees consisting of \$755,299 in cash and issued 3,622,670 finder's warrant. Each finder's warrant is exercisable to acquire one common share at an exercise price of \$0.20 per common share for a period of five years. See Note 14.

In October 2024, the Company had a 1 for 2.4 share split of the Company issued and outstanding common shares, which resulted in 189,034,474 shares outstanding post split. All references to common shares, stock options and warrants in these consolidated financial statements have been adjusted to reflect this change.

In August 2024, the Company issued 84,067,214 units in the first tranche of a non-brokered private placement for \$0.025 per unit. In September 2024, the Company issued another 83,932,784 units in the second and final tranche for \$0.025 per unit. Each unit consists of one common share and one warrant with an exercise price of \$0.30 for a period of five years. The fair value of the warrants is \$nil, valued using the residual amount method.

Insiders of the Company participated in the private placement for an aggregate of 29,400,005 units for gross proceeds of \$735,000.

In August 2024, the Company issued 10,999,999 common shares at a fair market share price of \$0.05 per common share to acquire PGV, see Note 6.

In June 2024, the Company closed its non-brokered private placement comprising of 4,800,000 common shares with a price of \$0.031 per share for gross proceeds of \$150,000.

In May 2024, the Company consolidated its common shares on the basis of ten pre-consolidation shares for every one post-consolidation share. All references to common shares, stock options and warrants in these consolidated financial statements have been adjusted to reflect this change.

The Company did not issue any shares during the year ended December 31, 2023.

As at December 31, 2024, the Company had 537,382 (2023 – 6,828,328) shares held in escrow, and it is expected that escrowed shares will be released by May 17, 2025.

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16. Warrants

As at December 31, 2024 and 2023, the Company have the following warrants issued and outstanding.

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding*
February 7, 2022	February 7, 2027	\$ 0.48	4,132,898
March 31, 2022	March 31, 2027	\$ 0.48	340,318
August 19, 2024	August 19, 2029	\$ 0.30	84,067,214
September 3, 2024	September 3, 2029	\$ 0.30	83,932,783
December 12, 2024	December 12, 2029	\$ 0.20	3,622,670
			176,095,882

*On post-split basis as announced on October 24, 2024, see Note 15.

The following is a summary of the Company's warrant activities:

	Number of Warrants*
Outstanding at December 31, 2023 and 2022	4,473,215
Issued	171,622,667
Outstanding at December 31, 2024	176,095,882

*On post-split basis as announced on October 24, 2024, see Note 15.

The weighted average exercise price and weighted average life are \$0.30 and 4.60 years, respectively.

17. Stock Options

The Company adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time.

The changes in stock options outstanding are summarized as follows:

	Weighted Average Exercise Price	Number of Shares Issued or Issuable on Exercise
Balance – December 31, 2023 and 2022	\$ 36.46	13,049
Expired	36.46	(13,049)
Granted	0.21	11,525,184
Balance – December 31, 2024	\$ 0.21	11,525,184

In November 2024, the Company granted 11,525,184 stock options to certain directors, officers and consultants of the Company. These options may be exercised within five years from the date of grant at an exercise price of \$0.21 per share, and are vested 50% in 12 months from grant date and remaining 50% vest in 24 months from grant date. The grant date fair value of the options was \$2,289,764, estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 3.14% per annum, an expected life of options of five years, an expected volatility of 169.28% and no expected dividends. The Company recorded share-based payment of \$223,106 relating to the issuance of options.

Stock options outstanding and exercisable on December 31, 2024 are summarized as follows:

Exercise Price	Outstanding		Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)
\$ 0.21	11,525,184	4.87	-	-

The Company granted 6,325,184 options to directors and management with a share-based payment of \$126,526 for the year ended December 31, 2024 (2023 - \$nil).

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18. Restricted Share Units

The Company has a restricted share unit plan that provides for granting of restricted share units ("RSUs") to directors, officers and consultants. Upon vesting, the Company will issue shares from treasury for no additional consideration.

In November 2024, the Company granted 5,234,692 RSUs to certain directors, officers and consultants of the Company. These RSUs vest 50% in 12 months from grant date and remaining 50% vest in 24 months from grant date and expire on November 12, 2029. The grant date fair value of the RSUs was \$1,099,285. During the year ended December 31, 2024, the Company recorded share-based payment of \$109,385 relating to the issuance of RSUs.

The Company granted 4,376,546 RSUs to directors and management with a share-based payment of \$92,537 for the year ended December 31, 2024 (2023 - \$nil).

19. Capital Management

The Company manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Company for its future operations. 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 is dependent on external financing to fund its activities. In order to carry out its planned operations and pay for future general and administrative expenses, the Company expects to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended December 31, 2024 and 2023.

20. Financial Instruments

The Company's financial assets and liabilities by category and information about financial assets and liabilities measured at fair value on a recurring basis in the statement of financial position are classified and measured as follows:

	Category		December 31, 2024		December 31, 2023
Financial Assets					
Cash	FVTPL	\$	11,849,696	\$	110,063
GST receivable	FVTPL	\$	15,419	\$	-
Equity investments	FVTPL	\$	1,450,666	\$	713,379
Loans receivable	FVTPL	\$	-	\$	411,018
Loans receivable	Amortized cost	\$	397,907	\$	-
Financial Liabilities					
Trade and other payables	Amortized cost	\$	690,832	\$	479,648
Loans payable	Amortized cost	\$	250,000	\$	-

Due to the short-term nature of trade and other payables, the Company determined that the carrying amounts of these financial instruments approximate their fair value.

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20. Financial Instruments (continued)

The following table presents the Company's financial instruments, measured at fair value, and categorized into levels of the fair value hierarchy:

		Balance at December 31, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$	11,849,696	\$ 11,849,696	\$ -	\$ -
GST receivable	\$	15,419	\$ 15,419	\$ -	\$ -
Equity investments					
Public companies	\$	1,430,666	\$ 1,428,630	\$ -	\$ 2,036
Private companies	\$	20,000	\$ -	\$ -	\$ 20,000
Loans receivable	\$	397,907	\$ -	\$ -	\$ 397,907
	\$	13,713,687	\$ 13,293,745	\$ -	\$ 419,943

		Balance at December 31, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$	110,063	\$ 110,063	\$ -	\$ -
Equity investments					
Public companies	\$	638,535	\$ 594,820	\$ -	\$ 43,715
Private companies	\$	74,844	\$ -	\$ -	\$ 74,844
Loans receivable	\$	411,018	\$ -	\$ -	\$ 411,018
	\$	1,234,460	\$ 704,883	\$ -	\$ 529,577

The following table presents the fair value of the Company's level 3 financial instruments:

	December 31, 2024	December 31, 2023
Opening balance	\$ 529,577	\$ 424,000
Additions	432,932	411,018
Disposals	(477,721)	(424,000)
Impairment	(54,844)	-
Transfer out of Level 3	(10,000)	-
Change in fair value	(1)	118,559
Ending balance	\$ 419,943	\$ 529,577

The Company's risk management policies are established to identify, analyze and manage the risks faced by the Company and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Company's activities and to ensure applicability. In the normal course of business, the main risks arising from the Company's use of financial instruments include credit risk, liquidity risk, market risk and currency risk. These risks, and the actions taken to manage them, include:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk is in its cash, loans receivable and due from related parties. Credit risk arises from cash held with banks, loans receivable and due from related parties. The Company minimizes credit risk associated with its cash balance substantially by dealing with financial institutions deemed to be reliable due to their history of operations. The Company performs credit evaluation of its borrowers and does not require collateral to support loans receivable.

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20. Financial Instruments (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows, as well as future equity and debt financing. See Note 2 for going concern disclosure.

(c) Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Company, will fluctuate due to changes in foreign currency exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign currency risk through cash held in bank and investment accounts which are denominated in United States dollars (USD).

The Company has approximately \$79,565 cash that is denominated in US dollars. Based on the above net exposure at December 31, 2024, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in approximately \$7,956 increase or decrease in profit or loss. The Company has not employed any currency hedging programs during the current period.

(d) Price risk

The Company's net income or loss, and financial condition were subject to price risk due to fluctuations of the following:

Equity Price Risk

The Company is exposed to equity price risk through its equity investments and unfavourable market conditions could result in dispositions of equity investments at less than favourable prices, especially during periods of overall market instability. The Company manages its equity price risk by having a portfolio of equity investments not singularly exposed to any one issuer.

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21. Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted loss per share for the years ended December 31, 2024 and 2023:

	December 31, 2024		December 31, 2023	
Numerator				
Net loss for the year	\$	(4,365,555)	\$	(1,717,165)
Denominator				
Basic – weighted average number of common shares outstanding		69,748,057		5,234,656
Effect of dilutive securities		-		-
Diluted – adjusted weighted average number of shares outstanding		69,748,057		5,234,656
Loss per share – basic	\$	(0.06)	\$	(0.33)
Loss per share - diluted	\$	(0.06)	\$	(0.33)

The basic earnings (loss) per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period.

The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

Stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the year ended December 31, 2024 and 2023 as the stock options were anti-dilutive during the year ended December 31, 2024 and 2023.

22. Related Party Transactions

Key management personnel include the Company's Board of Directors and members of senior management. The Company's related parties include key management personnel, and companies related by way of management and directors in common, such as:

- Lannister Mining – an investee of the Company whereby a director and former interim CEO of Lannister Mining is a director of the Company and he holds, directly and indirectly, a total of 6.44% of Lannister Mining with a fair value of \$nil (2023 - \$nil).
- Purpose ESG – an investee of the Company whereby the CFO of Purpose ESG was the former CFO of the Company. Axcap holds 2% of Purpose ESG with a fair value of \$nil (2023 - 54,844).
- RUA Gold – investee of the Company whereby the Company and RUA Gold share common directors. Axcap holds 0.1% of RUA Gold with a fair value of \$28,334 (2023 - \$322,950).
- Alaska Energy Metals Corp. ("AEMC") – investee of the Company whereby the Company and its investees share common directors and officers. Axcap holds 0.2% of AEMC's warrants with a fair value of \$714. (2023 – 0.6% shares with a fair value \$199,870).
- Commodity Partners Inc. – a company sharing common directors with Axcap.

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22. Related Party Transactions (continued)

During the years ended December 31, 2024 and 2023, the Company paid and/or accrued salaries, commissions, consulting and professional fees to management personnel and directors:

For the year ended December 31, 2024:

	Consulting (\$)	Management (\$)	Legal (\$)	Rent (\$)	Share- Based Payments – Options (\$)	Share- Based Payments – RSUs (\$)	Total (\$)
Management	243,581	211,875	-	-	59,880	27,217	542,553
Directors	584,500	250,000	515,216	20,000	66,646	65,320	1,521,682
	828,081	461,875	515,216	20,000	126,526	92,537	2,064,135

For the year ended December 31, 2023:

	Consulting (\$)	Management (\$)	Legal (\$)	Rent (\$)	Share- Based Payments – Options (\$)	Share- Based Payments – RSUs (\$)	Total (\$)
Management	-	32,371	-	-	-	-	32,371
Directors	120,000	-	12,203	-	-	-	132,203
	120,000	24,871	12,203	-	-	-	164,574

During the year ended December 31, 2024, related parties of the Company participated in the financings of the Company:

- A total of 29,400,005 units were subscribed by related parties for the financings that closed on August 19, 2024 and September 3, 2024 for gross proceeds of \$735,000;
- A total of 100,000 Special Warrants were subscribed by related parties that closed in December 2024, for proceeds of \$20,000.

During the year ended December 31, 2023, the Company purchased 1,000,000 shares of Rua Gold Inc. (formerly First Uranium Resources Ltd.) at a price of \$0.10 per share, which was the trading price at the time of the purchase, from a director of the Company; the value of those shares was \$100,000 at December 31, 2023. As at December 31, 2023, the Company owned a total of 3,229,500 shares of Rua Gold with a fair value of \$322,950. In 2024, the Company sold 500,000 Rua Gold shares at \$0.05 per share and sold 2,446,165 Rua Gold shares at \$0.16 per share before a 6:1 share consolidation resulting in a total loss of \$77,327. This loss was part of the total loss for the year of \$66,627.

During the year ended December 31, 2024, the Company also incurred legal expenses of \$515,216 (December 31, 2023 - \$12,203) to a law firm, a partner of which is a director of the Company. As at December 31, 2024, the Company owed \$56,876 to the law firm.

During the year ended December 31, 2024, the Company prepaid 3 directors for their services. See Note 10.

During the year ended December 31, 2024, PGV, the Company's subsidiary, borrowed \$250,000 from Commodity Partners Inc., see Note 13.

As at December 31, 2024 and December 31, 2023, the Company has the following amounts due to related parties:

	December 31, 2024	December 31, 2023
Accounts payable and accrued liabilities	\$ 63,531	\$ 203,206

The amounts due to related parties are unsecured, non-interest bearing and due on demand.

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23. Income Taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of loss and comprehensive loss:

	December 31, 2024	December 31, 2023
Income (loss) before income tax	\$ (4,365,555)	\$ (1,717,165)
Statutory income tax rate	27%	27%
Expected income tax expense (recovery)	(1,178,700)	(463,635)
Permanent and other differences	98,767	11,568
Non-taxable portion of capital gain	(9,065)	(48,400)
Change in deferred tax assets not recognized	1,088,998	500,467
Total income tax expense	\$ -	\$ -

	December 31, 2024	December 31, 2023
Current tax expense	\$ -	\$ -
Deferred tax expense	-	-
Total tax expense	\$ -	\$ -

The significant components of deferred income tax assets and liabilities as at December 31, 2024 and 2023 are comprised of the following:

	December 31, 2024	December 31, 2023
Non-capital loss carry forward	\$ 3,391,218	\$ 2,318,522
Capital loss carry forward	3,918,442	3,909,448
Financing cost	21,505	32,257
Exploration and evaluation assets	174,069	174,069
Equipment	640	640
Investments	278,077	260,018
Unrecognized deferred income tax assets	(7,783,951)	(6,694,953)
Net deferred income tax assets	\$ -	\$ -

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forward of approximately \$12,560,065 (2023 - \$8,587,118) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	\$
Non-capital losses expire as follows:	
2036	93,879
2037	99,314
2038	3,521,958
2039	1,598,540
2040	1,520,447
2041	694,089
2042	333,905
2043	724,986
2044	3,972,947
	12,560,065

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24. Segment Information

The Company has three reportable segments: (i) administration, (ii) management of its portfolio of passive equity investments and (iii) mineral exploration and development. Both segments are managed by the same management team. In the prior year, the Company had only one reporting segment which was the passive equity investments.

For the year ended December 31, 2024:

	Administration (\$)	Investment (\$)	Mining (\$)	Total (\$)
Operating Expenses				
Consulting fees	(1,115,618)	-	(237,537)	(1,353,155)
Exploration expenses	-	-	(475,517)	(475,517)
Foreign exchange gain	4,347	-	13,994	18,341
Legal and professional fees	(620,174)	-	(32,775)	(652,949)
Marketing and advertising	(196,823)			(196,823)
Office and administrative	(695,925)			(695,925)
Share-based payments	(274,466)	-	(58,026)	(332,492)
Transfer agent and regulatory fees	(135,233)			(135,233)
Travel	(54,722)	-	(21,628)	(76,350)
Other income (expenses)	(648,041)	972,103	(789,516)	(465,454)
Segment operating profit (loss)	(3,736,653)	972,103	(1,601,005)	(4,365,555)
Segment assets	13,130,095	2,577,877	2,417,052	18,125,024
Segment liabilities	617,779	-	323,053	940,832

Reconciliation of reportable segment assets:

Total reportable segment assets	\$	18,125,024
Elimination of intersegment loan		(373,788)
Consolidation		(595,833)
Total assets	\$	17,155,403

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25. Commitments

On September 27, 2024, the Company entered into a binding letter of intent (the "LOI") to acquire from Carlyle Commodities Corp. ("Carlyle"), a gold project located in British Columbia (the "Newton Project"). Pursuant to the terms of the LOI, the Company will pay Carlyle aggregate consideration of approximately \$2.8 million in cash and common shares of the Company to acquire the Newton Project in addition to certain milestone payments (the "Proposed Transaction").

In consideration for the acquisition of the Newton Project, the Company shall make the following payments to Carlyle:

- On the effective date of the LOI, the Company shall make a cash payment of \$100,000 to Carlyle; (paid in October 2024);
- Upon the execution and delivery of a definitive agreement, the Company shall make a cash payment of \$150,000 to Carlyle;
- Upon closing of a financing of securities of the Company of not less than \$4 million (the "Axcap financing"), the Company shall make a cash payment of \$250,000 (the "financing deposit") to Carlyle.

On the closing of the proposed transaction, the Company will:

- Issue to Carlyle 500,000 common share purchase warrants entitling the holder thereof to acquire one additional common share at \$0.20 per common share for a period of 3 years from the date of issuance;
- Issue to Carlyle 3.75 million common shares (the "closing shares"); and pay to Carlyle 50% of the financing deposit with the balance to be paid within 90 days following closing of the Proposed Transaction in the event that the Company does not complete the Axcap financing.

On the date that is 12 months following the closing date of the Proposed Transaction, the Company will issue to Carlyle \$1.25 million common shares at a deemed price equal to the volume-weighted average trading price of the common shares on the CSE, or such other exchange the common shares are then listed, for the 20 trading days immediately prior to the issuance of the anniversary shares.

The consideration shares will be subject to any applicable statutory hold period along with contractual resale restrictions. Carlyle is entitled to receive additional cash payments of up to \$1 million and issuance of up to 22.5 million common shares upon achieving certain milestones.

As at December 31, 2024, the Company and Carlyle had not closed this transaction.

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26. Subsequent Events

- (a) On October 18, 2024, the Company entered into a share purchase agreement dated October 7, 2024, among the Company, Converse Acquisition Company Ltd. ("Converse"), and the sole shareholder of Converse, pursuant to which the Company will purchase all the issued and outstanding common shares in the capital of Converse from the shareholder. Converse indirectly owns a 100% interest in an advanced stage gold project located in Nevada ("Converse Project").

Pursuant to the terms of the definitive agreement, as consideration for 100% of the issued and outstanding common shares of Converse, the Company shall make the following payments:

- On the effective date of the letter of intent, the Company shall make a cash payment of \$500,000 to the shareholder, which the Company paid on July 11, 2024;
- On closing of the proposed transaction, the Company shall make a cash payment of \$1 million to the shareholder; On the closing of the offering (as defined below), issue to the shareholder an aggregate of 20 million common shares of the Company, on a post-split basis.

Converse acquired the Converse property in July 2024 pursuant to membership purchase agreement. Converse is required to make the following milestone payments:

- On the closing of the proposed transaction, Converse shall make a cash payment of \$1.5 million.
- On or before July 15, 2025, Converse shall make a cash payment of \$2 million.
- On or before July 15, 2026, Converse shall make a cash payment of \$2 million.
- On or before July 15, 2027, Converse shall make a cash payment of \$2 million. On or before July 15, 2028, Converse shall make a cash payment of \$3.5 million.

The obligations to make the milestone payments are secured against the Converse Property pursuant to a deed of trust and security agreement. If Converse defaults on these obligations, the vendor has a right to seize the collateral, being the Converse Property.

Converse shall have a right to elect to pay each milestone payment, in whole or in part, in shares of the Company. The payment shares shall be subject to voluntary hold periods as outlined in the definitive agreement 2.5 per cent of the payment shares will be released and become freely tradeable six months after the closing of the offering, with the additional 2.5% released seven months and eight months following the closing of the offering, another 5% of the payment shares will be released every month for the next 11 months, and another 7.5% of the payment shares will be released 20 months following the closing of the offering, with an additional 7.5% of the payment shares becoming freely tradeable every month thereafter.

During the year ended December 31, 2024, the Company paid \$435,526 to vendors on behalf of Converse. The Company reported the amount as exploration expenses as it did not expect Converse to reimburse Axcap.

On February 25, 2025, the Company closed its acquisition of Converse Acquisitions Company Ltd. ("Converse") pursuant to the terms of the share purchase agreement dated October 7, 2024, as amended, among the Company, Converse and the sole shareholder of Converse.

At the closing of the acquisition transaction, the Company paid \$1,000,000 cash and issued 27,500,000 common shares of the Company.

- (b) On February 3, 2025, the Company closed the third and final tranche private placement financing (the "Offering"). Pursuant to the third tranche, the Company issued 5,540,000 special warrants at a price of \$0.20 per special warrant for the gross proceeds of \$1,108,000. In connection with the third tranche of the offering, the Company paid finders' fees to eligible finders consisting of \$7,000 in cash and issued an aggregate of 91,000 finders' warrants. Each finder's warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.20 per common share for a period of five years.

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(Expressed in Canadian Dollars)

26. Subsequent Events (continued)

- (c) On April 11, 2025, the Company issued 71,153,500 common shares as a result of special warrant conversions. On April 28, 2025, the Company issued 7,990,000 common shares as a result of special warrant conversions.
- (d) See Note 7 regarding Rattlesnake Hills reclamation bond payment subsequent to the year ended December 31, 2024.