CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(unaudited)

For the three months ended March 31, 2025 and 2024

Expressed in Canadian Dollars, unless otherwise noted

ARTEMIS
GOLD INC

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Notes	**As at March 31, 2025 $**	As at December 31, 2024 $
Assets			
Current assets			
Cash and cash equivalents		**31,224,788**	28,279,214
Receivables and prepayments		**2,801,195**	3,795,057
Inventories	*4*	**9,242,273**	-
Restricted cash	*5*	**15,362,788**	20,751,443
		58,631,044	52,825,714
Non-current assets			
Investment in associate		**7,000,941**	7,115,451
Capitalized contract costs		**1,955,775**	1,955,775
Prepayments on non-current assets		**1,197,000**	1,197,000
Non-current inventories	*4*	**7,935,820**	-
Mineral property, plant and equipment	*6*	**1,796,085,563**	1,643,313,710
TOTAL ASSETS		**1,872,806,143**	1,706,407,650
Liabilities			
Current liabilities			
Accounts payable, accrued liabilities and provisions		**129,508,770**	120,834,551
Current portion of lease liabilities	*7*	**13,089,035**	8,907,297
Current portion of long-term debt	*9*	**216,414,564**	151,568,649
Current portion of asset retirement obligation	*10*	**1,256,572**	1,256,572
Current portion of deferred revenue	*11*	**20,327,621**	10,870,023
Derivative liabilities	*16*	**34,064,296**	13,158,136
		414,660,858	306,595,228
Non-current liabilities			
Lease liabilities	*7*	**132,286,641**	123,739,759
Variable consideration payable	*8*	**55,250,139**	53,573,355
Long-term debt	*9*	**304,015,422**	325,878,830
Asset retirement obligation	*10*	**62,928,005**	45,042,611
Deferred revenue	*11*	**297,591,369**	258,627,072
Other non-current liabilities		**5,301,738**	2,098,412
TOTAL LIABILITIES		**1,272,034,172**	1,115,555,267
Shareholders' equity			
Share capital	*12*	**634,625,458**	630,996,803
Contributed surplus	*12*	**33,765,599**	32,116,940
Accumulated other comprehensive income		**3,622,371**	3,622,371
Deficit		**(71,241,457)**	(75,883,731)
Total Shareholders' equity		**600,771,971**	590,852,383
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,872,806,143**	1,706,407,650

Contingencies (Note 17)

Subsequent event (Note 18)

Approved for Issuance by the Board of Directors:

"Elise Rees" Director

"Steven Dean" Director

The accompanying notes are an integral part of the condensed consolidated interim financial statements

(Unaudited - Expressed in Canadian Dollars, except per share amounts and number of shares)

	Notes	**For the three months ended March 31, 2025 $**	For the three months ended March 31, 2024 $
Revenue	*13*	**41,066,596**	-
Cost of sales		**(9,219,065)**	-
Gross profit		**31,847,531**	-
General and administrative expense	*14*	**(5,070,942)**	(4,692,660)
Finance expense		**(148,485)**	(83,632)
Equity loss from investment in associate		**(114,510)**	(92,741)
Unrealized change in fair value of derivatives	*16*	**(20,906,161)**	(1,777,355)
Income (loss) before income taxes		**5,607,433**	(6,646,388)
Deferred income tax expense		**(965,159)**	-
Net income (loss) and comprehensive income (loss)		**4,642,274**	(6,646,388)
Net income (loss) per common share			
Basic	*12*	**0.02**	(0.03)
Diluted	*12*	**0.02**	(0.03)
Weighted average number of common shares outstanding			
Basic		**225,477,818**	199,480,325
Diluted		**234,752,437**	199,480,325

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars, except number of shares)

		Share capital					
	Notes	**Number of shares**	**Amount**	**Contributed surplus**	**Accumulated other comprehensive income**	**Deficit**	**Total shareholders' equity**
		#	$	$	$	$	$
Balance - January 1, 2025		225,252,978	630,996,803	32,116,940	3,622,371	(75,883,731)	590,852,383
Exercise of stock options	*12*	530,333	3,628,655	(1,219,902)	-	-	2,408,753
Shared-based payments	*12*	-	-	2,868,561	-	-	2,868,561
Net income		-	-	-	-	4,642,274	4,642,274
Balance - March 31, 2025		**225,783,311**	**634,625,458**	**33,765,599**	**3,622,371**	**(71,241,457)**	**600,771,971**

		Share capital					
	Notes	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
		#	$	$	$	$	$
Balance - January 1, 2024		198,706,255	599,868,231	22,307,061	3,622,371	(44,442,208)	581,355,455
Exercise of share purchase warrants	*12*	2,947,500	3,183,300	-	-	-	3,183,300
Exercise of stock options	*12*	20,000	148,508	(48,308)	-	-	100,200
Shared-based payments	*12*	-	-	2,167,826	-	-	2,167,826
Net loss		-	-	-	-	(6,646,388)	(6,646,388)
Balance - March 31, 2024		**201,673,755**	**603,200,039**	**24,426,579**	**3,622,371**	**(51,088,596)**	**580,160,393**

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Notes	**For the three months ended March 31, 2025 $**	For the three months ended March 31, 2024 $
Operating activities			
Net income (loss) and comprehensive income (loss)		**4,642,274**	(6,646,388)
Items not involving cash:			
Depreciation	*6*	**170,431**	170,340
Share-based payments	*12, 15*	**2,065,866**	1,847,454
Interest expense on lease liability	*7*	**10,005**	21,300
Accretion expense on asset retirement obligation	*10*	**138,480**	62,332
Equity loss from investment in associate		**114,510**	92,741
Unrealized change in fair value of derivatives	*16*	**20,906,161**	1,777,355
Deferred income tax expense		**965,159**	-
Net changes in non-cash operating assets and liabilities:			
Accounts payable, accrued liabilities and provisions		**1,556,242**	(2,476,406)
Receivables and prepayments		**612,740**	(52,032)
Inventories	*4*	**(17,178,093)**	-
Net cash from (used in) operating activities		**14,003,775**	(5,203,304)
Investing activities			
Interest received		**382,545**	1,779,083
Purchases of mineral property, plant and equipment		**(90,121,970)**	(129,521,368)
Long-term prepayments		**-**	(1,144,624)
Restricted cash		**5,388,655**	-
Net cash used in investing activities		**(84,350,770)**	(128,886,909)
Financing activities			
Financing costs	*9*	**(425,000)**	(694,741)
Exercise of stock options	*12*	**2,408,753**	100,200
Exercise of share purchase warrants	*12*	**-**	3,183,300
Lease payments	*7*	**(3,172,452)**	(576,611)
Proceeds from long-term debt	*9*	**40,000,000**	130,000,000
Interest payments on long-term debt	*9*	**(8,913,762)**	-
Proceeds from streaming arrangements	*11*	**43,395,030**	-
Net cash provided by financing activities		**73,292,569**	132,012,148
Change in cash and cash equivalents		**2,945,574**	(2,078,065)
Cash and cash equivalents, beginning		**28,279,214**	156,590,674
Cash and cash equivalents, ending		**31,224,788**	154,512,609
Supplemental cash flow disclosure			
Non-cash changes in working capital in investing activities:			
Mineral property, plant and equipment		**(7,542,977)**	(10,803,853)

The accompanying notes are an integral part of the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS

Artemis Gold Inc. ("**Artemis Gold**" or the "**Company**") was incorporated under the Business Corporations Act (British Columbia) on January 10, 2019. The Company is a gold producer focused on its flagship asset, the Blackwater Gold Mine ("**Blackwater**" or the "**Blackwater Mine**") in central British Columbia. On May 1, 2025, the Company determined commercial production had been achieved at the Blackwater Mine. The Company's common shares are traded on the TSX Venture Exchange ("**TSXV**") under the symbol "ARTG".

The Company operates a single reportable segment, being the operation and management of the Blackwater Mine. All of the Company's non-current assets are located in Canada.

The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, B.C., Canada. The Company's registered and records office is located at 1133 Melville Street, Suite 3500, Vancouver, B.C., Canada.

2. BASIS OF PREPARATION

Basis of preparation and measurement

These unaudited condensed consolidated interim financial statements ("**Interim Financial Statements**") have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("**IAS 34**"). They do not include all of the information and notes required by IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2024 and 2023 ("**Annual Financial Statements**"). The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements.

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. References to "**US$**" are for United States Dollars. Certain prior period amounts have been reclassified to conform to the presentation in the current period.

These Interim Financial Statements were approved by the board of directors on May 6, 2025.

Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, BW Gold Ltd. ("**BWG**") and 1337890 B.C. Ltd., all of which are domiciled in Canada. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

Accounting standards issued but not yet adopted

Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* ("**Amendments to IFRS 9 and IFRS 7**"): In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 which clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system, clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain instruments with contractual terms that can change cash flows such as instruments with features linked to the achievement of environment, social and governance targets; and update the disclosures for equity instruments designated at FVOCI.

2. BASIS OF PREPARATION (CONTINUED)

Accounting standards issued but not yet adopted (continued)

Amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is assessing the impact of this standard on its disclosures.

IFRS 18, *Presentation and Disclosure in Financial Statements* ("**IFRS 18**"): In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of income or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's interim results are not necessarily indicative of its results for a full year. The significant accounting policy judgments and areas of estimation uncertainty that applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Notes 4 and 5 of the Annual Financial Statements, in addition to the liquidity update below.

Liquidity

As at March 31, 2025, the Company had a working capital deficit of $356.0 million. The Company poured its first gold and silver from the Blackwater Mine on January 29, 2025 and achieved commercial production on May 1, 2025.

Following the achievement of commercial production, the Company plans to refinance the PLF and Stand-by Facility, which currently represent $216.4 million of the working capital deficit, by means of a corporate revolver facility, subject to reaching mutually-agreeable terms. This is expected to provide additional flexibility pertaining to drawdowns and repayments. It is conventional for a Company to reach a lower level of liquidity during this stage as it transitions into operations.

The working capital deficit includes $54.4 million in current liabilities (derivative liabilities and deferred revenue) that are expected to be settled by physical delivery of future production.

The Company expects that its available liquidity as at March 31, 2025, together with projected cash flows from ongoing mining operations, will be sufficient to meet its contractual obligations for at least the next 12 months and beyond. This assessment is based on management's short-term cash flow forecast, which involves significant judgment and assumptions, including the estimated timing and volume of near-term production, prevailing gold prices, and anticipated operating costs.

The estimated volume of near-term production is consistent with the Company's estimated reserves and grade control modelling. If certain conditions do not materialize in the manner or timing intended by the Company, the Company may need to fund expenditure and debt servicing from equity financing or other capital sources.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

4. INVENTORIES

The following table summarizes inventories:

	March 31, 2025 $	December 31, 2024 $
Stockpiled ore (current)	1,031,684	-
Gold in circuit	3,290,415	-
Finished goods	2,846,127	-
Materials and supplies	2,074,047	-
Current inventories	**9,242,273**	**-**
Stockpiled ore (non-current)	7,935,820	-
Total inventories	**17,178,093**	**-**

As at March 31, 2025, the Blackwater Mine had not yet reached commercial production. As a result, metals inventories, including stockpiled ore, gold in circuit, and finished goods, were valued based on actual costs, which were adjusted to reflect the normal production capacity of Blackwater, with other production-related costs capitalized in accordance with the Company's accounting policies. These costs included direct materials and labour, a proportionate allocation of overhead and an allocation of depreciation for the period.

Non-current inventories represent stockpiled ore that is not expected to be processed within the next 12 months.

5. RESTRICTED CASH

As at March 31, 2025, the Company recorded a total of $15.4 million (December 31, 2024 - $20.8 million) of restricted cash on the statements of financial position which is currently comprised of amounts expected to be released from construction holdbacks, as well as the expected refund of cash collateral from the Company's surety providers associated with previously issued environmental security bonds following the commencement of commercial production.

As at March 31, 2025, the Company had surety bonds totaling $206.4 million (December 31, 2024 - $173.8 million), which were primarily for reclamation and environmental security.

The following table summarizes restricted cash:

	March 31, 2025 $	December 31, 2024 $
	Restricted cash	Restricted cash
Reclamation and environmental security	**1,799,200**	8,698,900
Construction holdback liability	**13,503,588**	11,937,143
Other	**60,000**	115,400
Balance	**15,362,788**	20,751,443

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

6. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Construction-in-progress	Property, plant and equipment	Right of use assets	Total
	$	$	$	$	$
COST					
Balance, January 1, 2024	489,025,028	388,593,875	8,220,277	22,950,619	908,789,799
Additions	252,072,779	389,372,427	-	112,685,136	754,130,342
Balance, December 31, 2024	**741,097,807**	**777,966,302**	**8,220,277**	**135,635,755**	**1,662,920,141**
Additions	115,394,020	30,647,555	-	13,458,288	159,499,863
Balance, March 31, 2025	**856,491,827**	**808,613,857**	**8,220,277**	**149,094,043**	**1,822,420,004**
Balance, January 1, 2024	-	-	(2,227,688)	(2,447,273)	(4,674,961)
Depreciation	-	-	(3,079,651)	(11,851,819)	(14,931,470)
Balance, December 31, 2024	-	-	(5,307,339)	(14,299,092)	(19,606,431)
Depreciation	-	-	(533,387)	(6,194,623)	(6,728,010)
Balance, March 31, 2025	**-**	**-**	**(5,840,726)**	**(20,493,715)**	**(26,334,441)**
NET BOOK VALUE					
Balance, December 31, 2024	**741,097,807**	**777,966,302**	**2,912,938**	**121,336,663**	**1,643,313,710**
Balance, March 31, 2025	**856,491,827**	**808,613,857**	**2,379,551**	**128,600,328**	**1,796,085,563**

Total depreciation recognized during the three months ended March 31, 2025 was $6.7 million (March 31, 2024 - $1.3 million), of which $0.2 million was expensed in the statements of income (loss) (March 31, 2024 - $0.2 million). During the three months ended March 31, 2025, depreciation was primarily capitalized to mineral property, plant and equipment, with a smaller portion capitalized to stockpiled ore inventory.

As at March 31, 2025, total depreciation recognized was limited, as production-related assets and mineral properties will only begin to be depreciated and depleted upon the commencement of commercial production.

The amount of capitalized interest included in mineral property, plant and equipment during the three months ended March 31, 2025 and 2024 was $20.7 million and $10.2 million, respectively. The amount of capitalized interest includes the accretion of variable consideration payable and deferred revenue, as well as commitment fees, interest expense and amortization of deferred financing costs associated with the PLF, cost overrun facility ("**COF**"), Stand-by Facility (as defined in Note 9), and mobile equipment master lease agreement ("**MLA**").

The additions to mineral property during the three months ended March 31, 2025 and 2024 includes $10.8 million and $9.7 million, respectively, in changes in the asset retirement obligation estimate (Note 10).

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

7. LEASE LIABILITIES

The Company's lease liabilities are primarily related to the mobile equipment fleet at the Blackwater Mine. The Company's lease liabilities have interest rates that vary between 6.0% to 8.0%.

The following table summarizes the changes in lease liabilities:

	March 31, 2025 $	December 31, 2024 $
Opening balance	**132,647,056**	**21,341,057**
Additions	13,458,288	112,696,323
Lease payments	(3,172,452)	(5,620,516)
Interest	2,442,784	4,230,192
Closing balance	**145,375,676**	**132,647,056**
Less: current portion	(13,089,035)	(8,907,297)
Non-current portion	**132,286,641**	**123,739,759**

Total interest incurred on lease liabilities during the three months ended March 31, 2025 and 2024 was $2.4 million and $0.3 million, respectively, which was primarily capitalized to mineral property.

Future scheduled lease payments, comprising principal and interest, are disclosed in Note 16.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

8. VARIABLE CONSIDERATION PAYABLE

As part of the consideration associated with the acquisition of Blackwater, the Company entered into a gold stream arrangement (the "**Gold Stream**") with the following attributes:

- The streaming company would receive a percentage of gold production from the Blackwater Mine as follows: 8% until 279,908 refined gold ounces (the "**Original Threshold Amount**") are delivered to and purchased by the streaming company, then 4% thereafter for the LOM. See Note 12 regarding the Amended Threshold Amount; and
- The streaming company will pay a purchase price equal to 35% of the US$ spot price for the gold ounces received. The 65% discount given will be recorded as an increase to the cost of the asset when incurred as variable consideration for the acquisition.

The Gold Stream also included a delayed construction/production penalty clause (the "**Delay Penalty Clause**") whereby, in the event the Blackwater mineral processing facility had not achieved an average of at least 80% of Phase 1 nameplate capacity (as per the definition in the 2021 feasibility study) for a period of 60 days prior to each of August 21, 2027, 2028 and 2029, the Company would be required to make penalty payments to the streaming company in the amount of $28 million (the "**Penalty Payment**") per annual deadline missed, up to a maximum of $84 million. Although the Company does not control all of the events which may result in the payment of the Penalty Payments, it was considered likely that the minimum benefit to the streaming company, either as a result of the Delay Penalty Clause or through future sales at a discount to the spot price, would be the sum of the Penalty Payments. Accordingly, the Company recorded a liability for variable consideration payable upon the acquisition of Blackwater. The initial fair value of the financial liability was determined using a discount rate of 12.5%.

Once the Blackwater mineral processing facility achieves an average of at least 80% of Phase 1 nameplate capacity (as per the definition in the 2021 feasibility study) for a period of 60 days prior to August 21, 2027, the liability will be de-recognized with a corresponding reduction to mineral property, plant and equipment.

During the three months ended March 31, 2025, the Company made initial deliveries of gold under the Gold Stream for which revenue was recognized.

The following table summarizes the changes in variable consideration payable:

	Carrying amount $
Balance, January 1, 2024	**47,262,688**
Accretion expense capitalized to mineral property, plant and equipment	6,310,667
Balance, December 31, 2024	**53,573,355**
Accretion expense capitalized to mineral property, plant and equipment	1,676,784
Balance, March 31, 2025	**55,250,139**

9. LONG-TERM DEBT

Project Loan Facility and Cost Overrun Facility

On February 23, 2023, the Company executed a Project Loan Facility ("**PLF**") with a syndicate of lenders, in respect of a $360 million PLF plus up to $25 million of capitalized interest, to fund a significant component of the estimated construction costs of the development of the Blackwater Mine. Principal and capitalized interest under the PLF will be repayable in quarterly installments over six years, commencing in May 2025. The PLF can be prepaid at anytime without penalty. The Company incurred commitment fees of 1.5% on the undrawn portion of the PLF, payable quarterly up until the earlier of the completion of construction, the first repayment date, or when all amounts of the PLF are drawn. The PLF is secured through guarantees and a first ranking charge on all assets of the Company and each of its material subsidiaries. In connection with the PLF, the Company must also maintain certain ratios for leverage and interest coverage. The PLF carried an interest rate at the Canadian Dealer Offered Rate ("CDOR"), plus a margin of 4.75% pre-project completion, reducing to 4.25% post-completion (the "Margin"). CDOR ceased publication in June 2024, at which point the Company and its lenders transitioned to the Canadian Overnight Repo Rate Average ("CORRA"). Following the conversion to CORRA, the PLF carries a rate of CORRA plus 0.32138% per annum plus the Margin.

In December 2023, March 2024 and June 2024, the Company drew $150 million, $130 million and $80 million, respectively under the PLF. As at March 31, 2025, $360 million of principal and $25 million of capitalized interest are outstanding. As at March 31, 2025, $106.9 million of the current portion of long-term debt related to the PLF.

The PLF also provides for a $40 million COF. The COF is repayable in 2030, with 50% repayable in May 2030 and the remaining 50% repayable in August 2030. The COF can be prepaid at anytime without penalty. The Company incurred commitment fees of 1.75% on the undrawn portion of the COF, payable quarterly up until the earlier of the completion of construction, the first repayment date, or when all amounts of the COF are drawn. Any amounts drawn on the COF carry the pricing of the PLF plus an additional 2%.

In October 2024, the Company drew $40 million under the COF, which is outstanding as at March 31, 2025.

Stand-by Facility

On October 9, 2024, the Company executed an agreement with one of its existing lenders to provide additional stand-by debt funding of up to $65 million, plus up to $10 million in capitalized interest and fees, on a subordinated and unsecured basis ("**Stand-by Facility**"). The Stand-by Facility is repayable on October 9, 2025, but otherwise has the same commercial terms as the COF. In January 2025, the Company entered into an agreement to extend the Stand-by Facility, securing an additional $40 million in subordinated and unsecured debt funding. The additional funding carries similar terms as the existing Stand-by Facility and is to be repaid by July 31, 2025.

In October 2024, December 2024, and January 2025, the Company drew $35 million, $30 million and $40 million respectively, under the Stand-by Facility. As at March 31, 2025, $105 million of principal and $4.5 million of capitalized interest are outstanding, leaving $5.5 million of capitalized interest available. As at March 31, 2025, $109.5 million of the current portion of long-term debt related to the Stand-by Facility.

As at March 31, 2025, the Company was in compliance with its debt covenants. Upon completion as defined in the PLF, the Company will be subject to a liquidity-based financial covenant for which the first measurement date, based on management's current projections, is expected to be during the fourth quarter of 2025. The Company expects to achieve compliance with this financial covenant. This is dependent upon the Company's ability to achieve near-term production and sales in accordance with its plans to generate sufficient positive cash flows. Aggregate future minimum repayments, including both the principal amount of drawings and capitalized interest, are disclosed in Note 16.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

9. LONG-TERM DEBT (CONTINUED)

The following table summarizes the balance of long-term debt for the period-ends presented:

	March 31, 2025 **$**	December 31, 2024 $
PLF		
Drawdowns	360,000,000	360,000,000
Capitalized and accrued interest	25,818,058	25,913,785
Financing costs	(17,714,718)	(17,714,718)
Amortization of financing costs	3,171,181	2,441,979
PLF - Closing balance	**371,274,521**	370,641,046
COF		
Drawdown	40,000,000	40,000,000
COF - Closing balance	**40,000,000**	40,000,000
Stand-by Facility		
Drawdowns	105,000,000	65,000,000
Capitalized and accrued interest	4,538,564	1,806,433
Financing costs	(425,000)	-
Amortization of financing costs	41,901	-
Stand-by Facility - Closing balance	**109,155,465**	66,806,433
Total - Closing balance	**520,429,986**	**888,088,525**
Less: current portion	(216,414,564)	(151,568,649)
Non-current portion	**304,015,422**	**736,519,876**

The following table summarizes the changes to long-term debt for the periods presented:

	For the three months ended March 31, 2025 **$**	For the year ended December 31, 2024 $
PLF - Opening balance	370,641,046	143,497,758
Proceeds received on drawdowns	-	210,000,000
Reclassification of deferred financing costs	-	(10,567,031)
Amortization of deferred financing costs	729,202	2,433,096
Capitalized interest	-	24,363,438
Interest expense	7,808,449	4,863,549
Interest payments	(7,904,176)	(3,949,764)
PLF - Closing balance	371,274,521	370,641,046
COF - Opening balance	40,000,000	-
Proceeds received on drawdown	-	40,000,000
Interest expense	1,009,586	1,068,975
Interest payments	(1,009,586)	(1,068,975)
COF - Closing balance	40,000,000	40,000,000
Stand-by Facility - Opening balance	66,806,433	-
Proceeds received on drawdowns	40,000,000	65,000,000
Capitalized interest	2,732,131	1,806,433
Financing costs	(425,000)	-
Amortization of deferred financing costs	41,901	
Stand-by Facility - Closing balance	109,155,465	66,806,433
Total - Closing balance	**520,429,986**	**477,447,479**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

10. ASSET RETIREMENT OBLIGATION

The following table summarizes the changes to the asset retirement obligation:

	Carrying amount $
Balance, January 1, 2024	**24,204,282**
Accretion expense	414,085
Change in obligation estimate	21,680,816
Balance, December 31, 2024	**46,299,183**
Accretion expense	138,480
Change in obligation estimate	17,746,914
Balance, March 31, 2025	**64,184,577**
Less: current portion	(1,256,572)
Non-current portion	**62,928,005**

As at March 31, 2025 and December 31, 2024, the assumptions applied in estimating the asset retirement obligation related to the inflation rate and discount rate were 2.13% and 3.33% per annum, respectively. As at March 31, 2025, the Company's estimate of the undiscounted future cash flows related to the asset retirement obligation was $85.8 million (Note 16).

11. DEFERRED REVENUE

The following table summarizes the changes in deferred revenue:

	Silver Stream $	Gold Stream Amendment $	Total $
Balance, January 1, 2024	**195,270,312**	**55,028,317**	**250,298,629**
Accretion	15,621,625	3,576,841	19,198,466
Balance, December 31, 2024	**210,891,937**	**58,605,158**	**269,497,095**
Less: current portion	(10,870,023)	-	(10,870,023)
Non-current portion	**200,021,914**	**58,605,158**	**258,627,072**
Balance, January 1, 2025	**210,891,937**	**58,605,158**	**269,497,095**
Deposits	43,395,030	-	43,395,030
Accretion	4,096,902	929,963	5,026,865
Balance, March 31, 2025	**258,383,869**	**59,535,121**	**317,918,990**
Less: current portion	(20,327,621)	-	(20,327,621)
Non-current portion	**238,056,248**	**59,535,121**	**297,591,369**

11. DEFERRED REVENUE (CONTINUED)

a) Silver Stream

The Company entered into a Silver Stream Precious Metals Purchase Agreement (the "**Silver Stream**") with a streaming company. Under the terms of the Silver Stream:

- The streaming company made upfront deposit payments in cash of US$140.8 million, payable in tranches during the major works construction of the Blackwater Mine, subject to certain conditions;
- The streaming company will purchase 50% of the silver production from the mineral reserves of Blackwater until approximately 18 million ounces of silver have been delivered, after which the stream reduces to 33% of the silver production for the LOM;
- The Silver Stream will be settled by Blackwater delivering silver metal to the streaming company; and
- As silver deliveries are made under the Silver Stream, the streaming company will make payments equal to 18% of the spot silver prices until the upfront deposit payment is reduced to zero, and 22% of the spot silver prices thereafter.

The upfront deposits received are accounted for as deferred revenue with a significant financing component, with the related accretion expense being capitalized to mineral property until the Blackwater Mine is operating in a manner intended by management. The upfront deposits have been used by the Company to fund the development and construction of the Blackwater Mine. The deferred revenue is being accreted to reflect the significant financing component at a pre-tax rate of 8%, being the estimated rate implicit to the Silver Stream.

The Silver Stream also contained a partial buy-back option such that, should a change of control occur prior to the earlier of January 1, 2025, or the achievement of commercial production at Blackwater, the Company will have a one-time option to repurchase up to 33% of the Silver Stream for cash consideration. The partial buy-back option was considered an embedded derivative which was valued at $nil as at December 31, 2024. On January 1, 2025, the partial buy-back option expired unexercised.

In March 2025, the Company agreed to, and received the deposit for, a simplification of its Silver Stream pursuant to which the streaming company provided an additional stream deposit of US$30 million. The Company determined the simplification was a contract modification to the existing Silver Stream for which silver deliveries had not yet commenced and was accounted for as additional deferred revenue related to the original stream. The simplification did not impact the Company's conclusion that the Silver Stream meets the criteria of the 'own use' exemption under IFRS 9, *Financial Instruments* ("IFRS 9") and therefore falls outside the scope of financial instrument accounting.

The Silver Stream Agreement is a subordinated secured obligation of the Company, and its subsidiaries.

The current portion of deferred revenue related to the Silver Stream is based on the forecasted silver ounce production of Blackwater for the next twelve months.

During the three months ended March 31, 2025, no deliveries of silver were made under the Silver Stream as the delivery obligation for initial silver production was not yet due during the quarter.

11. DEFERRED REVENUE (CONTINUED)

b) Gold Stream Amendment

The Company entered into a separate amendment of the Gold Stream (see Note 8) (the "**Gold Stream Amendment**"). The terms of the Gold Stream Amendment remain largely the same as the Gold Stream, with the main changes being:

- The streaming company made upfront deposit payments in cash of US$40 million, payable in tranches during the major works construction of the Blackwater Mine, subject to certain conditions;
- The Original Threshold Amount is increased to 464,000 refined gold ounces (the "**Amended Threshold Amount**"), resulting in the Company delivering approximately 92,000 additional gold ounces to the streaming company, starting in 2035 based on the current life of mine plan; and
- The Gold Stream Amendment will be settled by Blackwater delivering gold metal to the streaming company.

The upfront deposit amounts related to the Gold Stream Amendment are accounted for as deferred revenue with a significant financing component, with the related accretion expense being capitalized to mineral property until the Blackwater Mine is operating in a manner intended by management. The proceeds from the Gold Stream Amendment will be used by the Company to fund the development and construction of the Blackwater Mine. The upfront deposit payments related to the Gold Stream Amendment were received in 2023. The deferred revenue associated with the Gold Stream Amendment is being accreted to reflect the significant financing component at a pre-tax rate of 6.5%, being the estimated rate implicit to the Gold Stream Amendment.

The Company and its subsidiaries have provided security in favour of the streaming company in respect of their obligations under the Gold Stream and Gold Stream Amendment. The streaming company also has a subordinated security interest over substantially all properties and assets of the Company and its subsidiaries and over the mining rights comprising the Blackwater Mine.

As the deliveries of the Amended Threshold Amount are not expected to begin until 2035, the entire amount of the deferred revenue related to the Gold Stream Amendment is recorded as non-current as of March 31, 2025.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

12. EQUITY

a) Stock options

The Company may grant stock options to its directors, executive officers, employees and consultants to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company exercisable for a period of up to 10 years from the date of grant, subject to vesting conditions.

The Company uses the Black Scholes option pricing model to determine the fair value of stock options granted. As at March 31, 2025, the Company had the following stock options outstanding and exercisable:

	Number of stock options #	Weighted-average exercise price $
Outstanding – January 1, 2024	**11,662,475**	**4.77**
Granted	2,440,500	7.24
Exercised	(369,702)	5.10
Forfeited	(100,784)	6.14
Outstanding – December 31, 2024	**13,632,489**	**5.19**
Granted	1,114,200	15.81
Exercised	(530,333)	3.94
Forfeited	(43,667)	14.16
Outstanding – March 31, 2025	**14,172,689**	**6.04**

The following table summarizes the options outstanding and exercisable at March 31, 2025 and December 31, 2024:

As at March 31, 2025	Total options outstanding			Total options exercisable		
Range of exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price
$1.00-$3.00	1,250,000	4.6	$ 1.18	1,250,000	4.6	$ 1.18
$3.01-$5.00	3,666,148	2.8	$ 4.80	2,316,495	2.8	$ 4.81
$5.01-$7.00	5,663,623	1.1	$ 5.48	5,466,956	1.0	$ 5.48
$7.01-$9.00	2,484,718	3.8	$ 7.24	907,505	3.5	$ 7.22
$9.01-$17.00	1,108,200	4.9	$ 15.81	-	N/A	N/A
	14,172,689	**2.6**	**$ 6.04**	**9,940,956**	**2.1**	**$ 4.94**

As at December 31, 2024	Total options outstanding			Total options exercisable		
Range of exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price
$1.00-$3.00	1,350,000	4.8	$ 1.18	1,350,000	4.8	$ 1.18
$3.01-$5.00	3,724,815	3.1	$ 4.80	1,452,202	3.0	$ 4.77
$5.01-$7.00	6,016,289	1.3	$ 5.47	5,811,289	1.3	$ 5.47
$7.01-$9.00	2,541,385	4	$ 7.24	150,000	1.9	$ 7.25
	13,632,489	**2.6**	**$ 5.19**	**8,763,491**	**2.1**	**$ 4.72**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

12. EQUITY (CONTINUED)

a) Stock options (continued)

Share-based payments arising from stock options that were recognized during the three months ended March 31, 2025 and 2024 was $2.0 million and $1.9 million, respectively, of which $0.8 million and $0.9 million, respectively, was expensed in the statements of income (loss) and the remainder capitalized to mineral property.

The following assumptions were used in the valuation of the stock options granted during the three months ended March 31, 2025 and 2024:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Annualized volatility	**59%**	54%
Expected life (years)	**5**	5
Dividend rate	**0.00%**	0.00%
Risk-free interest rate	**2.60%**	3.60%

The risk-free rate for periods within the contractual term of the option is based on the Bank of Canada administered interest rates in effect at the time of the grant. Expected volatilities are based on historical volatilities of the Company's share price.

As at March 31, 2025, outstanding stock options had a weighted average remaining life of 2.6 years (December 31, 2024 – 2.6 years).

b) Restricted Share Units

The Company adopted a cash-settled Share Unit Plan in early 2023 ("**Share Unit Plan**"). Recipients of Restricted Share Units ("**RSUs**") issued under the Share Unit Plan will receive a cash settlement in the amount equal to the market price of the RSUs on their vesting dates, with such amounts to be paid within 30 days of the respective vesting dates. On August 10, 2023, the Company adopted the Omnibus Incentive Plan ("**Omnibus Plan**"). Once RSUs issued under the Omnibus Plan vest, settlement shall be made by the issuance of one Common Share for each RSU being settled, a cash payment equal to the market price on the vesting date of the RSUs being settled in cash, or a combination of shares and cash, all as determined by the Board in its sole discretion.

In February and March 2025, the Company granted 497,500 RSUs under the Omnibus Plan to non-independent directors, officers and employees of the Company.

Share-based payments arising from RSUs issued under the Share Unit Plan that were recognized during the three months ended March 31, 2025 and 2024 totalled $1.2 million and $1.0 million, respectively, of which $0.6 million and $0.7 million, respectively, was expensed in the statements of income (loss) and the remainder capitalized to mineral property.

Share-based payments arising from RSUs issued under the Omnibus Plan that were recognized during the three months ended March 31, 2025 and 2024 totalled $0.8 million and $0.2 million, respectively, of which $0.3 million and $0.1 million, respectively, was expensed in the statements of income (loss) and the remainder capitalized to mineral property.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

12. EQUITY (CONTINUED)

c) Deferred Share Units

Under the Share Unit Plan, deferred share units ("**DSUs**") may be granted to non-executive directors of the Company from time to time. Vested DSUs issued under the Share Unit Plan are to be settled in a cash amount equal to the market price of the vested DSUs on the date that the person ceases to be a director of the Company, with the settlement to occur within 30 days of the person ceasing to be a director of the Company. Vested DSUs issued under the Omnibus Plan may be redeemed by non-executive directors once they cease to be a director of the Company by providing a redemption notice to the Company specifying the redemption date which will be at least three months following the date that the person ceased to be a non-executive director, but no later than December 15th of the year following which the person ceased to be a non-executive director. The former non-executive director would be entitled to one common share for each vested DSU under the Omnibus Plan, or a cash payment equal to the market value of such vested DSUs on the redemption date, or a combination of shares and cash, all as determined by the Board in its sole discretion.

In February 2025, the Company granted 20,400 DSUs under the Omnibus Plan to directors of the Company.

Share-based payments arising from DSUs issued under the Share Unit Plan that were recognized during the three months ended March 31, 2025 and 2024 totalled $0.3 million and $0.1 million, respectively, of which the entire amount was expensed in the statements of income (loss).

Share-based payments arising from DSUs issued under the Omnibus Plan that were recognized during the three months ended March 31, 2025 and 2024 totalled $0.1 million and $0.1 million, respectively, of which the entire amount was expensed in the statements of income (loss).

d) Earnings (loss) per common share

Earnings (loss) per common share has been computed by dividing the income or loss by the weighted average number of common shares outstanding during the three months ended March 31, 2025 and 2024. The reconciliation of dilutive adjustments is as follows:

		For the three months ended March 31, 2025		For the three months ended March 31, 2024
Net income (loss)	**$**	**4,642,274**	$	(6,646,388)
Basic weighted average shares outstanding		**225,477,818**		199,480,325
Basic income (loss) per common share	**$**	**0.02**	**$**	**(0.03)**
Basic weighted average shares outstanding		**225,477,818**		199,480,325
Weighted average shares dilution adjustments:				
Stock options		**8,810,426**		-
RSUs		**435,247**		-
DSUs		**28,946**		-
Diluted weighted average shares outstanding		**234,752,437**		199,480,325
Diluted income (loss) per common share	**$**	**0.02**	**$**	**(0.03)**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

13. REVENUE

The following table summarizes revenue by type:

	For the three months ended March 31, 2025 $	For the three months ended March 31, 2024 $
Gold	**40,798,459**	-
Silver	**268,137**	-
	41,066,596	-

14. GENERAL AND ADMINISTRATIVE EXPENSE

The following table summarizes general and administrative expense:

	For the three months ended March 31, 2025 $	For the three months ended March 31, 2024 $
Depreciation	**170,431**	170,340
Management fees and wages	**1,763,040**	1,887,922
Investor relations and corporate development	**154,264**	104,342
Office, insurance and general	**337,201**	378,217
Professional fees	**580,140**	304,385
Share-based payments	**2,065,866**	1,847,454
	5,070,942	4,692,660

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

15. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

The Company transacts with key management personnel, who have authority and responsibility to plan, direct and control the activities of the Company and receive compensation for services rendered in that capacity. Amounts paid to related parties were incurred in the normal course of business. Key management for the years ended December 31, 2024 and 2023 consists of the Company's Chairman, Chief Executive Officer & Director; President and Chief Operating Officer; Chief ESG Officer; Chief Financial Officer and Corporate Secretary; and directors. A portion of key management compensation is capitalized, depending on the nature of the individuals' responsibilities.

Compensation awarded to key management during the three months ended March 31, 2025 and 2024 was:

	For the three months ended March 31, 2025 $	For the three months ended March 31, 2024 $
Salaries and benefits	**1,365,058**	661,147
Consulting fees	**822,115**	525,298
Director fees	**145,935**	141,215
Share-based payments	**2,660,402**	1,738,800
	4,993,510	3,066,460

As at March 31, 2025, the Company owed $1.1 million of unpaid bonuses to the Company's Chairman, Chief Executive Officer and Director; President and Chief Operating Officer; Chief ESG Officer; and Chief Financial Officer and Corporate Secretary (as at December 31, 2024 - $nil).

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, long-term debt, variable consideration payable and gold forward sales contracts not under the Mandatory Hedge Program (as defined below). All financial instruments are initially recorded at fair value and designated as follows: cash and cash equivalents and receivables are classified as financial assets at amortized cost. Accounts payable, variable consideration payable and long-term debt are classified as financial liabilities and are measured at amortized cost. Gold forward sales contracts not under the Mandatory Hedge Program (as defined below) are derivative financial instruments measured at fair value through profit or loss.

Financial instrument risk exposure

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. As at March 31, 2025, the Company has cash on deposit with several large Canadian financial institutions to counteract concentration risk. Management believes the risk of loss with respect to cash and cash equivalents to be remote. The Company does not have a significant receivables balance with respect to its metals sales and stream deliveries.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company's cash and cash equivalents are held in business accounts which are available on demand.

The Company's remaining undiscounted contractual commitments and obligations (which include future interest payments, as applicable) as at March 31, 2025 and December 31, 2024 were as follows:

	< 1 year $	2 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable, accrued liabilities and provisions	129,508,770	-	-	-	**129,508,770**
Lease liabilities	24,486,808	74,087,495	72,100,469	11,120,530	**181,795,302**
Capital and other commitments	34,302,241	-	-	-	**34,302,241**
Variable consideration payable	-	28,000,000	56,000,000	-	**84,000,000**
Long-term debt	250,817,931	227,340,659	105,951,352	41,282,169	**625,392,111**
Asset retirement obligation	1,256,572	-	-	84,583,144	**85,839,716**
Total	440,372,322	329,428,154	234,051,821	136,985,843	**1,140,838,140**

	< 1 year $	2 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable, accrued liabilities and provisions	120,834,551	-	-	-	**120,834,551**
Lease liabilities	20,528,033	68,679,685	67,571,750	15,826,641	**172,606,109**
Construction commitments	1,349,136	-	-	-	**1,349,136**
Master lease agreement and other capital commitments	24,562,990	5,282,662	-	-	**29,845,652**
Variable consideration payable	-	28,000,000	56,000,000	-	**84,000,000**
Long-term debt	183,478,481	242,733,638	98,619,881	69,848,761	**594,680,761**
Asset retirement obligation	1,256,572	-	-	57,016,161	**58,272,733**
Total	352,009,763	344,695,985	222,191,631	142,691,563	**1,061,588,942**

Contractual commitments related to long-term debt represent required repayments of principal, capitalized interest and interest payments on the PLF and Stand-by Facility. Contractual commitments related to lease liabilities represent future repayments of principal and interest on the construction and mining fleet leased under the MLA, as well as the corporate office leases. The Company incurs commitment fees of 1.0% on the remaining amounts available on the MLA, payable quarterly up until the earlier of June 30, 2025 or when all of the construction and mining fleet have been fully financed. The remaining undrawn amount available under the MLA was $8.2 million as at March 31, 2025.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, and equity and commodity prices, and currency rates.

i. Interest rate risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. The Company's other current financial assets and current financial liabilities are generally not exposed to interest rate risk because of their short-term nature. Drawdowns under the Company's PLF, COF, Stand-by Facility and deliveries of leased equipment under the Company's MLA are currently at an interest rate benchmarked to CORRA which exposes the Company to interest rate risk. Based on amounts outstanding as at March 31, 2025, a 1% change in interest rates would result in a change of approximately $5.1 million in interest incurred on an annualized basis.

ii. Price risk

In 2023, the Company entered into gold forward sales contracts for 190,000 ounces of gold at a weighted average price of $2,851 per ounce, to be settled between March 2025 and December 2027 under a hedging program required to be put in place prior to the utilization of the PLF (the "**Mandatory Hedge Program**"). As at March 31, 2025, gold forward sales contracts under the Mandatory Hedge Program on 70,000, 63,000 and 57,000 ounces of gold are due to be settled in 2025, 2026, and 2027. The Company has determined the gold forward sales contracts under the Mandatory Hedge Program meet the criteria for the 'own use' exemption under IFRS 9, and as such, they fall outside the scope of financial instrument accounting.

The Company's future cash flow from mining operations is subject to commodity price risk from fluctuations in the market for prices for gold and silver. The Company may enter commodity hedging contracts from time to time to reduce its exposure to fluctuations in spot commodity prices.

In 2023, the Company entered into European-style put and call options ("**Gold Collars**") for 30,000 ounces of gold with settlement dates spread between December 2024 and February 2025, to reduce the risk associated with future fluctuations of the price of gold. Gold Collars are generally settled in cash as they expire at each settlement date and were not designated as hedging instruments and as such were recorded as derivative liabilities with changes in fair value recorded in the statements of income (loss). In December 2024, January 2025 and February 2025, the Gold Collars were rolled into gold forward sales contracts and as at March 31, 2025, the Company had gold forward sales contracts on 30,000 gold ounces with a weighted average contract price of $3,361 per ounce rolled from the previous Gold Collars. These gold forward sales contracts, which are not under the Mandatory Hedge Program, continue to be recorded as derivative liabilities with unrealized changes in fair value recorded in the statements of income (loss). As at March 31, 2025, the Company recognized a derivative liability of $34.1 million (December 31, 2024 - $13.2 million) in the statements of financial position. During the three months ended March 31, 2025 and 2024, the Company recognized a fair value loss of $20.9 million and $1.8 million, respectively, in the statements of income (loss).

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market Risk (continued)

ii. Currency risk

The functional currency of the Company is the Canadian dollar. Currency transaction risk is the risk that fluctuations of the Canadian dollar in relation to other currencies may impact the fair value of financial assets or liabilities. As of March 31, 2025, the Company had US dollar denominated cash deposits of US$0.5 million. There were no other significant financial assets or liabilities that were subject to currency translation risk.

Fair value

A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at March 31, 2025, the carrying value of the Company's cash and cash equivalents, restricted cash, receivables, as well as accounts payable approximate their fair values due to their short-term nature. The face value of the Company's long-term debt also approximates its fair value due to a floating interest rate that is linked to a market rate and is considered Level 2 in the hierarchy. The fair value of variable consideration payable is estimated to be $51.4 million, which was determined using a discounted cashflow approach with an estimated market interest rate applied. The fair value of the Company's equity investment in VLC is $8.6 million, which was determined using the period-end share price of VLC. The fair value of the Gold Collars and gold forward sales contracts from previously rolled Gold Collars is estimated to be a liability of $34.1 million and was determined based on forward price curves for gold denominated in Canadian dollars and is considered to be Level 2 in the hierarchy.

Fair value is based on available public market information or, when such information is not available, estimated using present value or option pricing techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk.

17. CONTINGENCIES

The Company may become subject to legal proceedings, claims, regulatory investigations and other proceedings in the ordinary course of its business, including the action(s) described below.

On November 20, 2024, Sedgman Canada Ltd. ("**Sedgman**") filed a claim of lien pursuant to the Builders Lien Act (British Columbia) alleging unpaid amounts due from BWG, a subsidiary of Artemis Gold, in the amount of $88,967,137 (the "**Lien**") and on December 19, 2024, filed a Notice of Civil Claim in the Supreme Court of British Columbia ("**Sedgman Claim**") against BWG and Artemis Gold as guarantor, alleging, amongst other claims, breaches of the Engineering, Procurement and Construction Contract. On February 13, 2025, BWG and Artemis Gold filed a Response to Civil Claim and a Counterclaim, opposing all of the claims and allegations made within the Sedgman Claim and Lien, and seeking recovery of losses and damages (the "**Counterclaim**"), which is based on costs incurred by the Company in excess of $150 million. The losses and damages noted in the Counterclaim were incurred by BWG as a result of Sedgman's breach of Contract, negligence, and intentional and willful misconduct. On April 9, 2025, Sedgman filed its Response to Counterclaim, denying the claims set out in BWG's Counterclaim.

The Company believes the allegations made in the Sedgman Claim are without merit, the Company's Counterclaim is valid and its value significantly exceeds the alleged Sedgman Claim and Lien. Although no assurance can be given with respect to the ultimate outcome of proceedings, the Company does not currently expect that the matter will result in a material net liability and has not raised any provisions in relation thereto. The Company will continually monitor and re-assess the likelihood and magnitude of any net liability associated with such proceedings.

18. SUBSEQUENT EVENT

On May 1, 2025, the Company determined that commercial production had been achieved at the Blackwater Mine, as the operation met the defined criteria set forth by management, including sustained throughput rates and operational stability.