MURCHISON MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Murchison Minerals Ltd.

Opinion

We have audited the consolidated financial statements of Murchison Minerals Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy 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 consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2024 and, as of that date, has an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 judgement 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 risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Di Rito.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 25, 2025

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
As at December 31,

		2024		2023
ASSETS				
Current Assets				
Cash	$	718,166	$	1,823,972
Amounts receivable and prepaid expenses (Note 6)		71,460		393,495
Total current assets		789,626		2,217,467
Property and equipment (Note 7)		94,713		134,545
Total assets	**$**	**884,339**	**$**	**2,352,012**
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 13)	$	37,410	$	91,939
Loan payable (Note 15)		10,578		10,578
Flow-through share premium liability (Note 14)		103,164		82,360
Total current liabilities		151,152		184,877
Loan payable (Note 15)		4,373		13,356
Total liabilities		**155,525**		**198,233**
SHAREHOLDERS' EQUITY				
Share capital (Note 9)		43,830,896		43,424,724
Reserves (Notes 10 and 11)		1,981,348		2,188,718
Deficit		(45,083,430)		(43,459,663)
Total shareholders' equity		728,814		2,153,779
Total liabilities and shareholders' equity	**$**	**884,339**	**$**	**2,352,012**

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Note 14)

Approved on Behalf of the Board:

"signed"
Jean-Charles Potvin
Director

"signed"
Denis Arsenault
Director

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended December 31,

	2024	2023
EXPENSES		
Exploration expenses (Note 8)	$ 1,503,975	$ 1,495,359
Professional fees	50,113	58,952
Management fees and salaries (Note 13)	233,414	456,715
Office and general	67,295	94,451
Regulatory and transfer agent	20,564	50,703
Investor relations	204,224	407,283
Share-based payments (Notes 11 and 13)	-	177,366
Loss before other income and expenses	**2,079,585**	**2,740,829**
Interest income	(25,252)	(47,538)
Other income	(22,830)	(6,750)
Flow-through share premium (Notes 9 and 14)	(104,196)	(97,558)
Loss and comprehensive loss for the year	**$ 1,927,307**	**$ 2,588,983**
Loss per share - basic and diluted	**$ 0.01**	**$ 0.01**
Weighted average number of common shares outstanding - basic and diluted	263,641,874	228,279,877

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
For the years ended December 31, 2024 and 2023

		Reserves			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
Balance, December 31, 2022	**$ 41,612,477**	**$ 1,732,899**	**$ 678,890**	**$ (41,694,180)**	**$ 2,330,086**
Loss for the year	-	-	-	(2,588,983)	(2,588,983)
Issuance of common shares (net of issue costs) (Note 9)	1,812,247	-	-	-	1,812,247
Issuance of stock options / share-based compensation (Note 11)	-	177,366	-	-	177,366
Issuance of warrants (Note 10)	-	-	423,063	-	423,063
Expiry of warrants (net of issue costs) (Note 10)	-	-	(678,890)	678,890	-
Expiry of stock options (Note 11)	-	(144,610)	-	144,610	-
Balance, December 31, 2023	**$ 43,424,724**	**$ 1,765,655**	**$ 423,063**	**$ (43,459,663)**	**$ 2,153,779**
Balance, December 31, 2023	**$ 43,424,724**	**$ 1,765,655**	**$ 423,063**	**$ (43,459,663)**	**$ 2,153,779**
Loss for the year	-	-	-	(1,927,307)	(1,927,307)
Issuance of common shares (net of issue costs) (Note 9)	406,172	-	-	-	406,172
Issuance of warrants (net of issue costs) (Note 10)	-	-	96,170	-	96,170
Expiry of stock options (Note 11)	-	(303,540)	-	303,540	-
Balance, December 31, 2024	**$ 43,830,896**	**$ 1,462,115**	**$ 519,233**	**$ (45,083,430)**	**$ 728,814**

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

MURCHISON MINERALS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended December 31

	2024	2023
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss for the year	$ (1,927,307)	$ (2,588,983)
Share-based payments	-	177,366
Flow-through share premium	(104,196)	(97,558)
Amortization	39,832	49,232
	(1,991,671)	(2,459,943)
Net change in non-cash working capital items:		
Amounts receivable and prepaid expenses	322,035	477,020
Accounts payable and accrued liabilities	(54,529)	(265,956)
Net cash flows used in operating activities	(1,724,165)	(2,248,879)
FINANCING ACTIVITIES		
Issuance of units	687,500	2,537,008
Units issuance costs	(60,158)	(121,780)
Loan repayments	(8,983)	(49,329)
Net cash flows provided by financing activities	618,359	2,365,899
NET CHANGE IN CASH	**(1,105,806)**	**117,020**
CASH, BEGINNING OF THE YEAR	**1,823,972**	**1,706,952**
CASH, END OF THE YEAR	**$ 718,166**	**$ 1,823,972**
SUPPLEMENTAL CASH FLOW INFORMATION		
Finders’ warrants issued	$ 9,100	$ 24,573

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or "Murchison") was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 5063 North Service Road, Suite 100, Burlington, Ontario, Canada, L7L 5H6.

The consolidated financial statements were approved by the Board of Directors on February 25, 2025.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit.

Although the Company has taken steps to verify title to its exploration and evaluation properties in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and, environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at December 31, 2024, the Company has a cumulative deficit of $45,083,430 (December 31, 2023 - $43,459,663), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS.

Basis of presentation

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

2. MATERIAL ACCOUNTING POLICIES (Continued)

Basis of consolidation

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within these consolidated financial statements:

Company	Registered	Principal activity
Murchison Minerals Ltd.	Ontario, Canada	Parent company
Flemish Gold Corp.	Ontario, Canada	Exploration company

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are expensed in the consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

Government grants and assistance

The Company expects to be entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a refundable duties credit for losses, which are estimated and recorded against the exploration and evaluation expenses to which they relate.

Government grants and assistance are transfers of resources to an entity by government in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government assistance is action by government designed to provide an economic benefit that is specific to an entity or range of entities qualifying under certain criteria.

Government grants and assistance are recognized where there is a reasonable assurance that the grants and assistance will be received, and conditions will be complied with. Government grants and assistance are recognized as an offset to the expenses to which they relate.

Property and equipment

Property and equipment are carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred. An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of property and equipment consists of major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of property and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line
Computer equipment	5 years	Straight-line
Buildings	20 years	Straight-line

Financial instruments

Financial assets at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured using the effective interest method, less any impairment losses.

A financial asset is classified as fair value through profit and loss ("FVPL") if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVPL if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Realized and unrealized gains and losses are reflected in the consolidated statement of loss. Transaction costs associated with FVPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:
The Company recognizes a loss allowance for expected credit losses on financial assets not reported as FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognizes lifetime ECLs for accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes the loss allowance for that financial instrument at an amount equal to 12-month ECLs. However, when there has been a significant increase in credit risk on these other financial instruments since initial recognition, lifetime ECLs are recognized.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

There are no financial instruments subsequently recorded at fair value.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to a periodic impairment assessment. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks, on hand and short-term money market investments with original maturities of 90 days or less which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and are available on demand by the Company. As at December 31, 2024 and 2023, the Company had no cash equivalents.

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions as at December 31, 2024 and 2023.

Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Unexercised expired and modified stock option values are transferred to deficit.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Equity

Share capital, stock options, warrants and broker units are classified as equity. Incremental costs directly attributable to the issuance of shares, warrants and broker units are recognized as a deduction from equity and allocated between share capital and warrants. Expired stock options and warrants are transferred to deficit.

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share premium liability which is reversed into the consolidated statement of loss when the eligible expenditures are incurred. The amount recognized as a flow-through share premium liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The liability is then reduced proportionally as the Company incurs eligible expenditures. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2024 and December 31, 2023 as the disturbance to date is minimal.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, finders' warrants and stock options outstanding that may add to the total number of common shares. Diluted loss per share does not include the effect of stock options, warrants and finders' warrants as they are anti-dilutive. See Notes 10 and 11.

Warrants

Warrants are recognized at fair value on the date of grant and are measured using the Black-Scholes option pricing model. Unexercised expired warrants are transferred to deficit.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges
In the determination of carrying values and impairment charges, management looks at the recoverable amount, being the higher of value in use and fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Income and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments and warrants
Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards and warrants are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

- Tax credit receivable
The Tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made. or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

2. MATERIAL ACCOUNTING POLICIES (Continued)

Significant accounting judgments and estimates (continued)

- Contingencies
See Note 14.

New and future accounting policies

During the year ended December 31, 2024, the Company adopted a number of amendments and improvements of existing standards. These included amendments to IAS 1. These new standards and amendments did not have any material impact on the Company's consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company will adopt these pronouncements as of their effective date and is currently assessing the impacts of adoption.

IFRS 18 – In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at December 31, 2024 totalled $728,814 (December 31, 2023 - $2,153,779). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2024 and 2023. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the years ended December 31, 2024 and 2023.

4. FINANCIAL RISK FACTORS (Continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2024, the Company had a cash balance of $718,166 (December 31, 2023 - $1,823,972) to settle accounts payable, accrued liabilities and loan payable of $52,361 (December 31, 2023 - $115,873). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms, except for the loan payable as disclosed in Note 15.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk

The Company has cash balances and no interest-bearing debt other than the loan payable at a fixed interest rate. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal.

Commodity price risk

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at December 31, 2024, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are "reasonably possible" over a one-year period:

(i) Based on cash balances earning interest at December 31, 2024, a 1% change in interest rates would result in a corresponding interest income change of approximately $7,200 for the one-year period.

(Expressed in Canadian Dollars)

5. CATEGORIES OF FINANCIAL INSTRUMENTS

		December 2024		December 2023
Financial assets:				
Amortized cost				
Cash	$	718,166	$	1,823,972
Financial liabilities:				
Amortized cost				
Accounts payable and accrued liabilities	$	37,410	$	91,939
Loan payable		14,951		23,934

As of December 31, 2024 and December 31, 2023, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

		December 2024		December 2023
Sales tax receivable	$	18,621	$	87,250
Tax credits receivable (Note 8)		-		188,118
Prepaid expenses and other receivables		52,839		118,127
	$	71,460	$	393,495

7. PROPERTY AND EQUIPMENT

COST		Computer equipment		Buildings		Exploration equipment		Total
Balances, December 31, 2022 and 2023	$	6,602	**$**	98,866	$	170,954	$	276,422
Additions		-		-		-		-
Balance, December 31, 2024	**$**	**6,602**	**$**	**98,866**	**$**	**170,954**	**$**	**276,422**
AMORTIZATION								
Balance, December 31, 2022	$	(1,210)	$	(7,656)	$	(83,779)	$	(92,645)
Additions		(1,320)		(4,940)		(42,972)		(49,232)
Balance, December 31, 2023	$	(2,530)	$	(12,596)	$	(126,751)	$	(141,877)
Additions	$	(1,320)		(4,940)		(33,572)		(39,832)
Balance, December 31, 2024	**$**	**(3,850)**	**$**	**(17,536)**	**$**	**(160,323)**	**$**	**(181,709)**

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT (Continued)

NET BOOK VALUE

Net book value, December 31, 2023	$	4,072	$	86,270	$	44,203	$	134,545
Net book value, December 31, 2024	**$**	**2,752**	**$**	**81,330**	**$**	**10,631**	**$**	**94,713**

Exploration equipment with a net book value of $nil as at December 31, 2024 (December 2023 - $5,781) is used as security for the loan payable described in Note 15.

8. EXPLORATION AND EVALUATION PROPERTIES

Brabant Lake Property – Saskatchewan
As at December 31, 2024 and 2023, the Company holds a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

HPM Property - Quebec
As at December 31, 2024 and 2023, the Company holds a 100% interest in certain claims forming the HPM property in Quebec.

Barraute-Landrienne Property - Quebec
On April 28, 2021, the Company entered into an agreement with Gestion Aline Leclerc Inc. ("GAL") granting Murchison an option to earn 100% in 75 mineral claims, by making payments totaling $500,000 and property expenditures of $1.0 million over a 6-year period. The first annual payment of $20,000 was due and paid on April 28, 2022. GAL would retain a royalty of 1% of net smelter returns (NSR) on future production. The 1% NSR could be acquired anytime by the Company for $1.0 million. On February 3, 2023, the Company terminated the GAL agreement.

The following table sets out the exploration expenses for the years ended December 31, 2024 and 2023:

HPM		**2024**		**2023**
Drilling	$	-	$	129,153
Geology and prospecting		143,543		445,645
Geophysics		88,093		313,490
Acquisition and staking		79,612		73,606
General administrative and permitting		41,611		120,578
Amortization		27,791		29,096
Tax credits receivable		-		(108,957)
Total HPM	**$**	**380,650**	**$**	**1,002,611**

Brabant Lake		**2024**		**2023**
Amortization	$	10,721	$	18,816
Drilling		961,644		-
General administrative		11,759		4,000
Geology		174,497		270,080
Geophysics		98,947		170,686
Government assistance – Drilling incentive		(150,000)		-
Acquisition and staking		15,757		8,242
Total Brabant Lake	**$**	**1,123,325**	**$**	**471,824**

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

Barraute-Landrienne	2024	2023
Geology	$ -	$ 3,737
Acquisition and staking	-	18,387
Tax credits receivable	-	(1,200)
Total Barraute-Landrienne	**$ -**	**$ 20,924**
Total Exploration Expenses	**$ 1,503,975**	**$ 1,495,359**

Government Assistance and Tax Credits

The Company is entitled to a credit on duties refundable for losses under the Quebec Mining Duties Act. This credit on duties refundable for losses on mineral exploration expenses incurred in the Province of Quebec at the rate of 8% has been applied against the costs incurred. These amounts have been recorded as a reduction of the HPM exploration expenditures.

Also, the Company is entitled to the refundable tax credit for resources for mineral companies on qualified expenditures incurred in the Province of Quebec. The refundable tax credit for resources may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred. These amounts have also been recorded as a reduction of the HPM exploration expenditures. The Company has recorded $nil in expected tax credits against exploration activity for the year ended December 31, 2024 (December 31, 2023 - $110,157). During the year ended December 31, 2024, the Company received $188,118 in tax credits applied against the receivable (December 31, 2023 - $182,282). As at December 31, 2024, the Company was carrying a tax credit receivable balance of $nil (December 31, 2023 - $188,118).

The Saskatchewan Targeted Mineral Exploration Incentive ("TMEI") supports the diversification of Saskatchewan's mineral sector by encouraging exploration for base metals, precious metals, and diamonds as well as other components such as airborne geophysical data and complementary ground-based geoscience investigations.

The TMEI provides up to $150,000 financial assistance in the form of a grant to eligible exploration companies that undertake exploration drilling for base metals, precious metals, or diamonds. For 2024, the Company received $150,000 (2023 - $nil) under the TMEI program.

9. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number	Amount
Balance - December 31, 2022	**218,211,957**	**$ 41,612,477**
Private placement (i) (ii)	42,561,065	2,537,008
Issue costs – private placement (i) (ii)	-	(121,780)
Flow-Through Premium (i) (ii)	-	(179,918)
Warrants issued (i) (ii)	-	(423,063)
Balance – December 31, 2023	**260,773,022**	**$ 43,424,724**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

	Number		Amount
Balance - December 31, 2023	**260,773,022**	**$**	**43,424,724**
Private placement [iii]	37,500,000		687,500
Issue costs – private placement [iii]	-		(60,158)
Flow-Through Premium [iii]	-		(125,000)
Warrants issued [iii]	-		(96,170)
Balance – December 31, 2024	**298,273,022**	**$**	**43,830,896**

[i] On July 26, 2023, the Company completed a non-brokered private placement and issued 9,000,000 units at a price of $0.06 per unit, 11,500,715 Quebec flow-through units at a price of $0.07 and 2,383,850 national flow-through units at a price of $0.065 for aggregate gross proceeds of $1,500,000. A director of the Company acquired 7,000,000 units for gross proceeds of $420,000. An amount of $126,280 was allocated to flow-through share premium.

Each unit, Quebec flow-through unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.10 for a period of 24 months expiring July 26, 2025.

The fair value of the warrants was estimated at $236,690 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 108%, risk-free interest rate of 4.65%, expected life of 2.0 years and share price of $0.05. Issue costs of $12,160 were allocated to the warrants.

Finder's fees totaling $57,005 were paid under the private placement and 636,994 finders' warrants valued at $13,173 with the same terms as described above were issued.

[ii] On December 28, 2023, the Company completed a non-brokered private placement and issued 9,040,000 units at a price of $0.05 per unit and 10,636,500 national flow-through units at a price of $0.055 for aggregate gross proceeds of $1,037,008. A director of the Company acquired 8,500,000 units for gross proceeds of $425,000. An amount of $53,638 was allocated to flow-through share premium.

Each unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.08 for a period of 24 months expiring December 28, 2025.

The fair value of the warrants was estimated at $185,770 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 117%, risk-free interest rate of 3.92%, expected life of 2.0 years and share price of $0.04. Issue costs of $9,660 were allocated to the warrants.

Finder's fees totaling $41,250 were paid under the private placement and 518,190 finders' warrants valued at $11,400 were issued. Each whole warrant is exercisable to acquire one additional common share at a price of $0.055 for a period of 24 months expiring December 28, 2025. Issue costs of $2,150 were allocated to the finders' warrants.

[iii] On December 3, 2024, the Company completed a non-brokered private placement and issued 12,500,000 units at a price of $0.015 per unit, 5,000,000 Quebec flow-through units at a price of $0.02 and 20,000,000 national flow-through units at a price of $0.02 for aggregate gross proceeds of $687,500. A director of the Company acquired 12,500,000 units for gross proceeds of $187,500. An amount of $125,000 was allocated to flow-through share premium.

Each unit, Quebec flow-through unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.05 for a period of 24 months expiring December 3, 2026.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

The fair value of the warrants was estimated at $97,500 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 136%, risk-free interest rate of 3.07%, expected life of 2.0 years and share price of $0.012. Issue costs of $10,430 were allocated to the warrants.

Finder's fees totaling $40,625 were paid under the private placement and 1,750,000 finders' warrants valued at $9,100 with the same terms as described above were issued.

10. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the year ended December 31, 2024 and 2023:

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
Balance – December 31, 2022	**30,019,054**	**$ 678,890**	**$ 0.18**
Issued	22,435,717	423,063	0.09
Expired	(30,019,054)	(678,890)	0.18
Balance - December 31, 2023	**22,435,717**	**423,063**	**$ 0.09**
Balance – December 31, 2023	**22,435,717**	**$ 423,063**	**$ 0.09**
Issued	20,500,000	96,170	0.05
Balance - December 31, 2024	**42,935,717**	**519,233**	**$ 0.07**

As at December 31, 2024, the Company had warrants and finders' warrants outstanding as follows:

Date of Issue	Number of Warrants	Exercise Price ($)	Fair Value ($)	Expiry Date	Remaining Contractual Life (years)
July 26, 2023	12,079,277	0.10	237,703	July 26, 2025	0.57
December 28, 2023	518,190	0.055	9,250	December 28, 2025	0.99
December 28, 2023	9,838,250	0.08	176,110	December 28, 2025	0.99
December 3, 2024	20,500,000	0.05	96,170	December 3, 2026	1.93
	42,935,717		**519,233**		**1.32**

11. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

(Expressed in Canadian Dollars)

11. STOCK OPTIONS (Continued)

The following summarizes the stock option activity for the years ended December 31, 2024 and 2023:

	Number of Stock Options	Weighted Average Exercise Price
Balance - December 31, 2022	**21,495,000**	**$ 0.10**
Expired	(1,110,000)	0.16
Granted[(i)]	4,725,000	0.05
Balance - December 31, 2023	**25,110,000**	**$ 0.09**
Balance - December 31, 2023	**25,110,000**	**$ 0.09**
Expired	(3,945,000)	0.09
Balance – December 31, 2024	**21,165,000**	**$ 0.09**

[(i)] On December 29, 2023, the Company granted 4,725,000 stock options exercisable at $0.05 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of $174,825 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - $0.05, risk free interest rate – 3.17%, expected volatility – 120%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the fair value was recorded as share-based payment on the consolidated statement of loss for the year ended December 31, 2023.

As at December 31, 2024, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Outstanding[(1)]	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date	Weighted Average Remaining Contractual Life (years)
December 31, 2020	3,700,000	0.095	284,900	December 31, 2025	1.00
April 14, 2021	200,000	0.095	9,800	April 14, 2026	1.28
May 25, 2021	500,000	0.095	26,000	May 25, 2026	1.40
July 2, 2021	200,000	0.095	10,800	July 2, 2026	1.50
October 11, 2021	1,000,000	0.08	59,000	October 11, 2026	1.78
December 20, 2021	3,625,000	0.13	351,625	December 20, 2026	1.97
January 24, 2022[(1)]	200,000	0.135	19,600	January 24, 2027	2.07
July 29, 2022	4,700,000	0.09	314,900	July 29, 2027	2.58
December 15, 2022	2,315,000	0.12	210,665	December 15, 2027	2.96
December 29, 2023	4,725,000	0.05	174,825	December 29, 2028	4.00
	21,165,000	**0.09**	**1,462,115**		**2.46**

[(1)] All options are exercisable.

(Expressed in Canadian Dollars)

12. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company's income tax to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2023 – 26.5%) were as follows:

	2024 $	2023 $
Combined Canadian statutory income tax rate	26.5%	26.5%
Loss before income taxes	(1,927,307)	(2,588,984)
Expected income tax recovery based on the statutory rate	(511,000)	(686,000)
Adjustment to expected income tax benefit:		
Permanent differences and other	(16,000)	15,000
Deferred tax assets not recognized	527,000	671,000
Deferred income tax provision (recovery)	-	-

(b) Deferred income tax

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2024 $	2023 $
Capital losses	20,209,000	20,209,000
Non-capital losses	22,022,000	21,302,000
Resource properties	7,094,000	6,488,000
Share issue costs	305,000	440,000
Other	199,000	160,000
Total	49,829,000	48,599,000

(c) As at December 31, 2024, the Company had approximately $7,094,000 (2023 - $6,488,000) of Canadian development and exploration expenses and foreign exploration and development expenses, which, under certain circumstances, may be utilized to reduce taxable income of future years.

(d) Tax loss carry-forwards
As at December 31, 2024, the Company had approximately $22,022,000 of non-capital losses in Canada, which may be used to reduce taxable income in future years. These losses expire from 2025 to 2044.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS

a) *Remuneration of directors and officers was as follows:*

	2024	2023
Salaries and benefits	$ 400,418	$ 575,000
Share-based payments	-	137,825
	$ 400,418	**$ 712,825**

For the year ended December 31, 2024, the salaries and benefits above include $84,375 (2023 - $187,500) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO and also include $104,808 (2023 - $140,600) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO. Included in accounts payable and accrued liabilities at December 31, 2024 is $nil (2023 - $10,500) owed to the CFO. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

b) *Private placements*

A director of the Company acquired 12,500,000 units for gross proceeds of $187,500 in the private placement closed on December 3, 2024. On July 26, 2023 and December 28, 2023, a director of the Company acquired 7,000,000 units for gross proceeds of $420,000 and 8,500,000 units for gross proceeds of $425,000, respectively.

14. COMMITMENTS AND CONTINGENCIES

Management Contracts
The Company entered into consulting and employment agreements for the services of its key executives. Under the agreements, additional payments totalling $1,402,300 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $380,650, in aggregate. The minimum commitment due within one year under the terms of the agreements is $690,600, in aggregate.

Flow-Through Indemnification
As at December 31, 2024, the Company has to incur $412,659 in qualifying exploration expenditures by December 31, 2025 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

(Expressed in Canadian Dollars)

14. COMMITMENTS AND CONTINGENCIES (Continued)

	Flow-through funding and expenditure requirements	Flow-through share premium liability
	$	$
Balance, December 31, 2022	-	-
Flow-through funds raised and premium recorded as a liability	1,545,008	179,918
Flow-through expenditures incurred and reduction of liability	(768,939)	(97,558)
Balance, December 31, 2023	**776,069**	**82,360**
Flow-through funds raised and premium recorded as a liability	500,000	125,000
Flow-through expenditures incurred and reduction of liability	(863,410)	(104,196)
Balance, December 31, 2024	**412,659**	**103,164**

Environmental
The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

15. LOAN PAYABLE

In June 2021, the Company financed the purchase of an exploration vehicle in the amount of $43,586. The loan bears an interest rate of 7.89% and is repayable over 60 monthly payments of $881 and is secured by the vehicle. The balance payable at December 31, 2024 was $14,951 of which $10,578 is due within the next 12 months.

Undiscounted payments over successive years are as follows:

		Vehicle
2025	$	10,578
2026		5,289
Total contractual cash flows	$	15,867
Less: interest		(916)
Obligation at December 31, 2024	**$**	**14,951**

End of Notes to Financial Statements

MURCHISON MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

This Management's Discussion and Analysis ("MD&A") is intended to supplement the consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the year ended December 31, 2024 with comparatives for the same period a year earlier. The consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, which are available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial year end and the subsequent period up to February 25, 2025. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison is a Canadian-based exploration Company focused on development of the 100%-owned Brabant-McKenzie VMS copper-zinc-silver-lead-gold deposit (the "Deposit") located on the Brabant McKenzie project ("BMK") in north-central Saskatchewan. Additionally, the Company also explores for nickel-copper-cobalt at the 100%-owned Haut-Plateau Manicouagan ("HPM") project in Quebec. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Uncertainties and Risk Factors" and "Forward Looking Statement" included in this MD&A, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTLOOK

Murchison considers both the HPM and BMK projects to be top tier under valued exploration projects both with significant scale to host numerous deposits in areas that remain considerably underexplored. Murchison is the dominant land holder for both projects with both already containing significant sulphide mineralization and numerous showings located through the properties.

The BMK project which hosts the Brabant-McKenzie VMS Deposit is considered by the Company to be an emerging VMS district. The Deposit remains open along strike and at depth – expansion of the current resource at the BMK Deposit was a primary objective for the 2024 winter exploration program. The Company will be focussed on the continued expansion of the BMK Deposit as well as to focus on the discovery of additional deposits on the property. The exploration programs from 2020 and 2021 successfully discovered VMS mineralization at the Betty and Main Lake targets which confirms the viability that project hosts multiple VMS mineralized systems. The Company is excited to continue exploring these prospects as well as other targets such as T2T and Tom2.

The polymetallic BMK Deposit is considered a high-grade VMS deposit with high zinc and silver grades. The Deposit is ideally located only 2 km away from a highway and grid power. The Deposit comes to surface, with a current strike length of 1.1 km and has been tested down to approximately 700 metres depth. Preliminary metallurgical work completed in 2021 delivered exceptional results. As noted by recent work completed by subject matter expert, Dr. Stephen Piercy, Professor at Memorial University, NFLD, the BMK Deposit has high zinc grades typical of a zone refined VMS deposit and zone refined deposits are closely associated with a copper stockwork zone. Drilling to date at the BMK Deposit has yet to discover the copper rich stockwork zone, however, the 2024 winter drill campaign has identified high copper to zinc ratio mineralization on the northern edge of the BMK Deposit which maybe indicative that the copper stockwork zone is located to the north of the BMK Deposit. The Company intends to complete electromagnetic geophysical surveying to the north of the Deposit which has seen very limited historical exploration to identify prospective drill targets. The Company also intends to follow up on the VMS mineralization previously discovered at the Betty and Main Lake targets by completing additional geophysical surveying followed up by drill testing to locate additional mineralization.

The HPM project's entire 837.7 km^2 land package is highly prospective to host nickel-copper-cobalt mineralization, particularly at Barre de Fer ("BDF") and Syrah where significant mineralization has already been encountered. The HPM project continues to show tremendous promise with its numerous gossanous nickel-copper-cobalt-bearing outcrops spatially linked to airborne electro-magnetic (EM) anomalies.

Innu Takuaikan Uashat mak Mani-utenam (ITUM) - the Innu Government of the Innu First Nation of Uashat mak Mani-utenam, located near Sept-Îles has communicated its opposition to any natural resource or development projects proceeding in its traditional territory without its prior consent. Murchison has met with representatives of the ITUM to establish a framework which is mutually beneficial to all parties. The Government of Quebec has confirmed Murchison has the legal right to explore the mineral claims comprising the HPM Project. The recent opposition from the ITUM is based on social acceptability, and an ITUM claim over sovereignty of the mineral rights within their traditional territory. Murchison will continue to engage with First Nations and abide by all laws and regulations governing exploration in the province of Quebec.

Management's main objective is to advance its current projects and maximize their potential via the use of different exploration techniques available. The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets. The Company will need to raise additional funds for its exploration activities.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES

BRABANT LAKE PROPERTY – SASKATCHEWAN

The Brabant Lake property is 100% owned by Murchison is strategically located along Highway 102 approximately 175 km northeast of the town of La Ronge and near major infrastructure, including grid power. The Brabant Lake property consists of the BMK VMS Deposit and multiple known mineralized showings and identified geophysical conductors over approximately 37 km strike length of favourable geological trend, all of which remain under-explored and mostly untested. The 758 km^2 property shares geological characteristics, including similar age, with the Flin Flon and Lynn Lake volcanogenic massive sulphide (VMS) mining camps in Manitoba.

The BMK Deposit currently hosts an NI 43-101 compliant resource estimate (September 4, 2018) with 2.1 Mt indicated resources at 7.08% Zn, 0.69% Cu, 0.49% Pb, 0.23 g/t Au, 39.6 g/t Ag and 7.6 Mt additional inferred resources at 4.46% Zn, 0.57% Cu, 0.19% Pb, 0.1 g/t Au, 18.42 g/t Ag. The resource utilized a 3.5% ZnEq cut off based on metal prices of US$1.20/lb zinc, $2.50/lb copper, $1.00/lb lead, $16.00/oz silver and $1200/oz/gold, and a US$ exchange rate of $1.25. The Deposit remains open in multiple directions.

Murchison commenced a drill campaign in January 2024 with the purpose of identifying the potential copperwork zone to the BMK Deposit (see January 22, 2024 press release). Four (4) holes totalling 2,700 metres were completed over the course of the winter (see April 29, 2024 press release). Murchison successfully intersected high copper to zinc ratio mineralization on the north side of the BMK Deposit which is inferred to indicate that the copper stockwork may lie to the north of the Deposit. The winter 2024 also successfully expanded the Deposit at depth in the deepest hole drilled to date and remains open. The BMK Project remains highly prospective and under-explored. The BMK Deposit remains open for expansion, and regionally, the Company has identified numerous targets with VMS style mineralization and alteration along the 37 km BMK conductive corridor. Murchison is continuing to evaluate and interpret results from its 2024 Exploration Program with the objective of returning to the BMK Project in 2025.

HPM PROPERTY – QUEBEC

In December of 2024 the Company completed a non-invasive, satellite-based geophysical survey over prospective sections of the HPM Project. The objective of the survey was the identification of prospective alteration, lithologies indicative sulphide mineralization. Results are currently being evaluated and interpreted, and will be utilized to de-risk future exploration at the HPM Project.

The Company continues to evaluate its options in relation to the exploration at HPM and related discussions with the ITUM.

Qualified Persons

The scientific and technical disclosures included in this MD&A have been reviewed by John Shmyr, P.Geo., VP Exploration, a registered member of the Professional Engineers and Geoscientists of Saskatchewan and current holder of a special authorization with the Ordre des Géologues du Québec. Mr. Shmyr is a Qualified Person as defined by National Instrument 43-101.

Access to Properties

The Company's access to its properties is dependent on climate and weather conditions. The BMK property in Saskatchewan is accessible all year round. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The following table sets out the exploration expenses by project for the years ended December 31:

	2024	2023
HPM		
Drilling	$ -	129,153
Geology and prospecting	143,543	$ 445,645
Geophysics	88,093	313,490
Acquisition and staking	79,612	73,606
General administrative and permitting	41,611	120,578
Amortization	27,791	29,096
Tax credits receivable	-	(108,957)
Total HPM	**$ 380,650**	**$ 1,002,611**

	2024	2023
Brabant Lake		
Drilling	$ 961,644	$ -
Geology and prospecting	174,497	270,080
Geophysics	98,947	170,686
Acquisition and staking	15,757	8,242
General administrative and permitting	11,759	4,000
Amortization	10,721	18,816
Government assistance – Drilling incentive	(150,000)	-
Total Brabant Lake	**$1,123,325**	**$ 471,824**
Barraute-Landrienne		
Geology and prospecting	$ -	$ 3,737
Claims maintenance and staking	-	18,387
Tax credits receivable	-	(1,200)
Total Barraute-Landrienne	**$ -**	**$ 20,924**
Total Exploration Expenses	**$1,503,975**	**$ 1,495,359**

RESULTS OF OPERATIONS

For the year ended December 31, 2024, the Company incurred a loss of $1,927,307 (2023 - $2,588,983). The decrease of $661,676 is mainly related to the following factors: **1.** lower management fees and salaries of $223,301 (2024 - $233,414 vs 2023 - $456,715) as the CEO's compensation decreased in 2024; **2.** lower investor relations expenses of $203,059 (2024 - $204,224 vs 2023 - $407,283) as less conferences were attended and less investor meetings took place, and; **3.** lower stock-based compensation (non-cash) of $177,366 (2024 - $nil vs 2023 - $177,366) as no stock options were granted in 2024.

SELECTED ANNUAL INFORMATION

The following table sets out financial performance highlights for the last three years and was prepared in accordance with IFRS.

	December 31, 2024	December 31, 2023	December 31, 2022
Interest Income	$25,252	$47,538	$62,003
Operating Expenses (1)	$2,079,585	$2,563,463	$6,946,339
Loss	$1,927,307	$2,588,983	$6,102,016
Basic and Diluted loss per share	$0.01	$0.01	$0.03
Total Assets	$884,339	$2,352,012	$2,761,244
Exploration Expenses	$1,503,975	$1,495,359	$5,662,334

(1) The exploration expenses are included in operating expenses and share-based payments are excluded from operating expenses.

The interest income fluctuation from year to year is the direct result of the cash balance available in each of the years. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of cash generating interest from time to time. The variation in the interest rates also has an impact on the interest income. The higher loss in 2022 was directly related to the increased exploration activities at HPM during the year (2024 - $380,650 vs 2023 - $1,002,611 vs 2022 - $5,359,182). The total assets in 2024, 2023 and 2022 included $718,000, $1.8 million and $1.7 million in cash respectively.

SELECTED QUARTERLY RESULTS

	Fourth Quarter 2024	**Third Quarter 2024**	**Second Quarter 2024**	**First Quarter 2024**
	$	**$**	**$**	**$**
Total Assets	884,339	569,543	809,237	1,513,421
Current Assets	789,626	469,608	698,151	1,391,184
Non-current Assets	94,713	99,935	111,086	122,237
Total Liabilities	155,525	103,623	129,455	469,520
Interest Income	3,207	2,403	4,740	14,902
Loss	239,448	213,862	352,935	1,121,062
Loss Per Share (1)	0.00	0.00	0.00	0.00

	Fourth Quarter 2023	**Third Quarter 2023**	**Second Quarter 2023**	**First Quarter 2023**
	$	**$**	**$**	**$**
Total Assets	2,352,012	1,918,073	1,328,429	2,027,924
Current Assets	2,217,467	1,771,220	1,169,268	1,856,455
Non-current Assets	134,545	146,853	159,161	171,469
Total Liabilities	198,233	227,916	216,327	273,366
Interest Income	11,045	10,286	10,613	15,594
Loss	643,435	725,386	643,545	576,617
Loss Per Share (1)	0.00	0.00	0.00	0.00
(i) Loss per share remains the same on a diluted basis				

Due to the nature of the business, the cash balance generating interest income is subject to fluctuations from quarter to quarter. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in interest rates also has an impact on the interest income. In 2024 and 2023, the Company had $25,252 and $47,538 of interest income mainly due to high interest rates.

In December 2024, the Company raised gross proceeds of $687,500 via a private placement. The main exploration activities in 2024 consisted of drilling at the BMK project in Saskatchewan where over $1.1 million was incurred. In 2023, the Company raised an aggregate $2,537,008 via two private placements. Field exploration was completed at HPM with prospecting and geophysics and in house historical data reviews were the focus for BMK.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company had cash of $718,166 and working capital (excluding flow-through share premium liability) of $741,638 (December 31, 2023 – $1,823,972 and $2,114,950, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts with major Canadian chartered banks.

As at December 31, 2024, the Company had amounts receivable and prepaid expenses totaling $71,460 which included sales tax receivable of $18,621 and prepaid expenses and other receivables of $52,839.

During 2024, the Company received $188,118 from the Government of Quebec in relation to 2023 refundable tax credits..

During 2021, the Company purchased an exploration vehicle in the amount of $43,586. This amount was financed via a loan bearing an annual interest rate of 7.89% and is repayable over 60 monthly payments of $881. The balance payable at December 31, 2024 was $14,951.

The December 31, 2024, consolidated financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

On December 3, 2024, the Company completed a non-brokered private placement and issued 12,500,000 units at a price of $0.015 per unit, 5,000,000 Quebec flow-through units at a price of $0.02 and 20,000,000 national flow-through units at a price of $0.02 for aggregate gross proceeds of $687,500. A director of the Company acquired 12,500,000 units for gross proceeds of $187,500.

Each unit, Quebec flow-through unit and national flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.05 for a period of 24 months expiring December 3, 2026.

Finder's fees totaling $40,625 were paid under the private placement and 1,750,000 finders' warrants with the same terms as described above were issued.

Warrants

As part of the private placement closed on December 3, 2024, the Company issued 20,500,000 warrants (including 1,750,000 finders' warrants) at a price of $0.05 for a period of 24 months expiring on December 3, 2026.

Stock Options

On March 6, 2024, 645,000 stock options exercisable at $0.095 expired unexercised. On December 23, 2024, 3,300,000 stock options exercisable at $0.085 expired unexercised.

General

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remains uncertain and could affect our overall liquidity.

Commitments and Obligations

Management Contracts

The Company entered into consulting and employment agreements for the services of its key executives. Under the agreements, additional payments totalling $1,402,300 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the consolidated financial statements. The commitment upon termination of the agreements is $380,650, in aggregate. The minimum commitment due within one year under the terms of the agreements is $690,600, in aggregate.

Flow-Through Indemnification
As at December 31, 2024, the Company has to incur $412,659 in qualifying exploration expenditures by December 31, 2025 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company’s mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

Environmental
The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has no long-term contractual obligations other than the loans payable as disclosed above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and the officers was as follows:

	2024	2023
Salaries and benefits	**$ 400,418**	$ 575,000
Share-based payments	-	137,825
	$ 400,418	$ 712,825

For the year ended December 31, 2024, the salaries and benefits above include $84,375 (2023 - $187,500) for fees invoiced by a corporation controlled by the CEO of the Company for his services as CEO and also include $104,808 (2023 - $140,600) for fees invoiced by a corporation controlled by the CFO of the Company for his services as CFO. Included in accounts payable and accrued liabilities at December 31, 2024 is $nil (2023 - $10,500) owed to the CFO. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

As part of the December 3, 2024 private placement, a director of the Company acquired 12,500,000 units for gross proceeds of $187,500.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CHANGES IN ACCOUNTING POLICIES

New and future accounting policies

During the year ended December 31, 2024, the Company adopted a number of amendments and improvements of existing standards. These included amendments to IAS 1. These new standards and amendments did not have any material impact on the Company's consolidated financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the consolidated financial statements.

IFRS 18 – In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

FINANCIAL INSTRUMENTS

December 31,	**2024**	2023
Financial assets:		
Amortized cost		
Cash and cash equivalents	$ 718,166	$ 1,823,972
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 37,410	$ 91,929
Loan payable	14,951	23,934

As of December 31, 2024 and 2023, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

Significant accounting judgments and estimates:
The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- ***Assets' carrying values and impairment charges***
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- ***Income and other taxes***
  Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

  Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

  Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

  A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- ***Share-based payments and warrants***
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

- ***Tax credits receivable***
  The Tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made. or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

Capital Management:

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and
- to maximize shareholders return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the yar ended December 31, 2024. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data
As of February 25, 2025, the following are outstanding:

• Common Shares	298,273,022
• Stock Options	21,165,000
• Warrants	42,935,717

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined below, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures..

The Innu Takuaikan Uashat mak Mani-utenam (ITUM) - the Innu Government of the Innu First Nation of Uashat mak Mani-utenam, located near Sept-Îles, Québec have communicated to the Company that part of Murchison's HPM Nickel-Copper-Cobalt exploration is located on their traditional territory and they do not welcome mining exploration on this part of their traditional territory. While Murchison legally acquired all of its mineral claims comprising the HPM Project and has abided by all laws and regulations governing exploration activities, the opposition from the ITUM may impact the Company's ability to continue work unencumbered by social acceptability factors at the HPM Project.

Exploration, Development and Operating Risks
Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be

taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by The Company will result in a profitable commercial mining operation. Whether a gold or other mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in The Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold or other minerals will result in discoveries of commercial quantities of gold or other minerals.

Country Risk
The Company may conduct business in jurisdictions and some countries in which the title to its properties may be uncertain or where access to infrastructure, or political stability, or security, among other things, may be unknown, or known, and prevent, or severely compromise, the Company from carrying out business. It may be that the Company accepts some or all of these risks, to the extent that they can be determined at all, in favour of acquiring properties with exceptional exploration and development potential, and may ultimately be prevented from exploring and developing those properties for any number of reasons which may, or may not, be predictable, foreseeable, or manageable.

Current Economic Conditions
There are significant uncertainties regarding the price of precious metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of precious metals and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History
The Company has a limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Reliability of Resource Estimates
There is no certainty that any mineral resources identified in the future on any of the Company's properties will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.
Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition from time to time.

Insurance and Uninsured Risks
The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards
All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Infrastructure
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company’s operations, financial condition and results of operations.

Land Title
No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company’s ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company’s mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition
The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company’s revenues, operations and financial condition could be materially adversely affected.

Additional Capital
The development and exploration of the Company’s properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company’s properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices
The price of the Company’s common shares, the Company’s financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of precious metals or other minerals. The price of precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the Company’s control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates,

inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of precious metals or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of precious metals and other minerals, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of precious metals and other minerals being adequate to make these properties economic.

In addition to adversely affecting the Company's future resource or reserve estimates, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation
The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy
No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares
As of February 27, 2024, the Company had 260,773,022 common shares and 47,545,717 convertible securities issued and outstanding. The increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives
The Company is dependent on the services of key executives, including the directors of Murchison and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest
Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Murchison should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Murchison and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Canada Business Corporations Act and other applicable laws.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.