COLLECTIVE MINING

NYSE:CNL | TSX:CNL

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying annual consolidated financial statements of Collective Mining Ltd. (the “Company”) wereprepared by management in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards). Management acknowledges responsibility for the preparation and presentation of the annual consolidated financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors of the Company is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the annual consolidated financial statements together with other financial information. An Audit Committee, composed entirely of independent directors of the Company, assists the Board of Directors in fulfilling this responsibility. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the annual consolidated financial statements together with other financial information ofthe Company, and the auditor’s report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the annual consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards and applicable laws and regulations, and for maintaining proper standardsof conduct for its activities.

(signed) Omar Ossma	*(signed) Paul Begin*
Omar Ossma Chief Executive Officer	Paul Begin Chief Financial Officer

Tel: (416) 865-0200
Fax: (416) 865-0887
www.bdo.ca

BDO Canada LLP
222 Bay Street, Suite 2200
Toronto, Ontario
M5K 1H1

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Collective Mining Ltd.
Toronto, Ontario

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Collective Mining Ltd. and its subsidiaries (together, the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for each of the two years in the period ending December 31, 2024 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) (collectively IFRS Accounting Standards).

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

We have served as the Company's auditor since 2024.

Toronto, Canada
March 24, 2025

COLLECTIVE MINING LTD.
Consolidated Statement of Financial Position
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

As at	Note	December 31, 2024	December 31, 2023
		$	**$**
ASSETS			
Current assets:			
Cash and cash equivalents	15(a)	**38,930,957**	14,166,196
Receivables and prepaid expenses	6	**683,655**	347,166
		39,614,612	14,513,362
Non-current assets:			
Property, plant and equipment	7	**680,062**	656,219
VAT receivable	9	**2,261,717**	1,799,497
		2,941,779	2,455,716
Total assets		**42,556,391**	16,969,078
LIABILITIES AND EQUITY			
Current liabilities:			
Account payables and accrued liabilities		**2,229,584**	2,488,257
Warrants liability	10	**3,163,115**	1,638,808
Current portion of lease liability	11	**82,795**	32,918
		5,475,494	4,159,983
Non-current liabilities:			
Lease liability	11	**72,732**	86,779
		72,732	86,779
		5,548,226	4,246,762
Equity:			
Share capital	16	**102,256,065**	53,972,765
Contributed surplus		**17,110,478**	14,159,005
Deficit		**(82,358,377)**	(55,409,454)
		37,008,166	12,722,316
Total liabilities and equity		**42,556,391**	16,969,078
Commitments and contingencies	21		
Subsequent events	22		

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

Approved on behalf of the Board of Directors:

(signed) Ari Sussman — Director

(signed) Jasper Bertisen — Director

COLLECTIVE MINING LTD.
Consolidated Statement of Operations and Comprehensive Loss
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

For the year ended	Note	December 31, 2024	December 31, 2023
		$	$
Expenses			
Exploration and evaluation	19(a)	**(18,064,865)**	(14,114,631)
General and administration	19(b)	**(5,768,262)**	(5,306,170)
		(23,833,127)	(19,420,801)
Other income (expenses)			
Revaluation of warrants liability	10(a),(b)	**(2,115,036)**	(1,303,481)
Foreign exchange gain (loss)		**(1,913,870)**	1,000,415
Other income (expense)		**5,126**	424
Net loss before finance items and income tax		**(27,856,907)**	(19,723,443)
Finance income (expense)			
Interest income		**1,097,816**	668,145
Finance costs	19(c)	**(189,831)**	(78,360)
Net loss before income tax		**(26,948,922)**	(19,133,658)
Income tax		**–**	–
Net loss and comprehensive loss		**(26,948,922)**	(19,133,658)
Basic and diluted loss per common share	17	**(0.33)**	(0.33)
Weighted average common shares outstanding, basic and diluted	17	**68,401,442**	58,191,317

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

COLLECTIVE MINING LTD.
Consolidated Statement of Cash Flows
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

For the year ended	Note	December 31, 2024	December 31, 2023
		$	$
Cash flows from (used in) operating activities			
Net loss		**(26,948,922)**	(19,133,658)
Items not involving cash and cash equivalents:			
Revaluation of warrants liability	10	**2,115,036**	1,303,481
Finance costs expensed	19(c)	**115,974**	21,792
Foreign exchange (gain) loss		**1,913,870**	(1,001,149)
Share-based compensation	19(b)	**1,167,109**	1,473,869
Depreciation and amortization	19(a),(b)	**339,857**	246,124
Net changes in working capital items	20	**(1,273,526)**	152,464
		(22,570,602)	(16,937,077)
Cash flows from (used in) financing activities			
Cash proceeds from issuance of shares	16	**47,255,102**	21,882,311
Cash costs related to issuance of shares		**(2,928,530)**	(1,579,306)
Financing costs paid		**(65,849)**	–
Cash proceeds from warrant exercises	16	**4,351,656**	1,351,420
Cash received from option exercises	16	**798,706**	663,132
Lease payments	11	**(114,790)**	(54,442)
		49,296,295	22,263,115
Cash flows from (used in) investing activities			
Acquisition of property, plant and equipment	7	**(238,925)**	(353,506)
		(238,925)	(353,506)
Net change in cash and cash equivalents during the period		**26,486,768**	4,972,532
Cash and cash equivalents, opening balance		**14,166,196**	8,503,274
Foreign exchange effect on cash balances		**(1,722,007)**	690,390
Cash and cash equivalents, end of period		**38,930,957**	14,166,196

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

COLLECTIVE MINING LTD.
Consolidated Statement of Changes in Equity
(All amounts expressed in U.S. Dollars, unless otherwise indicated)

	Note	Number of shares issued and outstanding	Share capital	Contributed surplus	Deficit	Total
			$	$	$	$
Balance January 1, 2024		**61,234,906**	**53,972,765**	**14,159,005**	**(55,409,454)**	**12,722,316**
Issuance of shares – March 2024	16	**4,500,000**	**13,925,729**	**–**	**–**	**13,925,729**
Fair value of warrants issued – March 2024		**–**	**(1,193,634)**	**–**	**–**	**(1,193,634)**
Issuance of shares – October 2024	16	**9,276,235**	**33,329,373**	**–**	**–**	**33,329,373**
Share issue costs	16	**–**	**(2,928,530)**	**–**	**–**	**(2,928,530)**
Exercise of warrants	16	**1,836,150**	**4,351,656**	**1,784,362**	**–**	**6,136,018**
Exercise of options	16,18	**754,917**	**798,706**	**–**	**–**	**798,706**
Share-based compensation	19(b)	**–**	**–**	**1,167,110**	**–**	**1,167,110**
Net loss for the period		**–**	**–**	**–**	**(26,948,922)**	**(26,948,922)**
Balance December 31, 2024		**77,602,208**	**102,256,065**	**17,110,478**	**(82,358,377)**	**37,008,166**
Balance January 1, 2023		52,771,782	31,655,207	11,558,338	(36,275,796)	6,937,749
Issuance of shares – Offering March 2023	16	7,060,000	21,882,311	–	–	21,882,311
Share issue costs	16	–	(1,579,306)	–	–	(1,579,306)
Exercise of warrants	16	555,550	1,351,420	1,126,799	–	2,478,219
Exercise of options	16,18	847,574	663,133	–	–	663,133
Share-based compensation	19(b)	–	–	1,473,868	–	(1,473,868)
Net loss for the period		–	–	–	(19,133,658)	(19,133,658)
Balance December 31, 2023		61,234,906	53,972,765	14,159,005	(55,409,454)	12,722,316

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

Tabular dollar amounts represent United States ("U.S.") dollars, unless otherwise shown. References to C$/CAD and COP are to Canadian dollars and Colombian pesos, respectively.

1. NATURE OF OPERATIONS

Collective Mining Ltd. ("CML") and its subsidiaries (collectively referred to as the "Company") are principally engaged in the acquisition, exploration and development of mineral properties located in Colombia. The Company principally carries on business through an Ontario corporation and a foreign company branch office in Colombia.

The Company's common shares began trading on the Toronto Stock Venture Exchange ("TSXV") on May 20, 2021 under the symbol "CNL". On July 18, 2022, the Company's shares began trading on the OTCQX® Best Market under the symbol "CNLMF". Effective September 6, 2023, CML's common shares were voluntarily delisted from the TSXV and began trading on the Toronto Stock Exchange ("TSX") under their current stock symbol "CNL". Additionally, in 2023, the Company was listed on the Frankfurt Stock Exchange (the FSE) under the symbol "GG1". On July 17, 2024, CML's common shares were voluntarily delisted from the OTCQX® Best Market and began trading on the NYSE American LLC under the symbol "CNL".

The registered office for CML is located at 82 Richmond St E 4th Floor Toronto, Ontario, Canada.

To date, the Company has not generated any revenue from mining or other operations as it is considered to be in the exploration stage.

2. BASIS OF PREPARATION

Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards), effective for the year ended December 31, 2024, applicable to companies reporting under IFRS Accounting Standards, and have been consistently applied unless otherwise indicated.

These consolidated financial statements were approved and authorized by the Board of Directors of the Company on March 24th, 2025.

Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and financial liabilities, which are measured at fair value.

Basis of Consolidation

Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases. Any remaining interest in the entity is re-measured to fair value on the date when control is lost, with the change in carrying amount recognized in profit or loss.

The principal wholly owned subsidiaries of the Company, their activities, and their geographic locations as at December 31, 2024 were as follows:

Name	Country of incorporation	Nature of business
Collective Mining Limited	Bermuda	Exploration
Minerales Provenza SAS	Colombia	Intermediate holding company
Minera Campana SAS	Colombia	Exploration

Intercompany transactions, balances and unrealized gains and losses on transactions between group entities are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

Functional and Reporting Currency

The functional currency of the Company and its subsidiaries is the U.S. dollar. Functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates (“IAS 21”). All financial information in these consolidated financial statements has been presented in U.S. dollars, except when otherwise indicated.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates and assumptions are based on management’s best knowledge of the relevant facts and circumstances, taking into account previous experience. Actual results could differ from those estimates and such differences could be material. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively. Information about critical judgements and estimates, assumptions and other sources of estimation uncertainty as at December 31, 2024 that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year are as follows:

Critical Judgements

(a) Functional currency:

Management is required to assess the functional currency of each entity of the Company. In concluding the functional currencies of the parent and its subsidiary companies, management considered the currency that both mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates and in which a significant portion of costs are denominated or contracted. While the local currency generally influences the goods and services received in each jurisdiction in which the Company operates, a significant portion of the Company’s costs are denominated, negotiated and/or contracted in U.S. dollars, the majority of which relate to exploration activities. In addition, the Company also considered secondary indicators including the currency in which funds from financing activities are retained by the parent to fund subsidiary operations. The assessment of the above aforementioned factors in subjective and involved significant management judgement.

(b) VAT Receivable:

The company recognizes a long-term VAT receivable on purchases and expenses in the period in which the underlying transaction occurs. VAT incurred on purchases and expenses related to taxable activities is recorded as receivable and included in the total long-term VAT receivable.

The company adheres to the VAT recovery regulations set forth by the Colombian tax authority, the Dirección de Impuestos y Aduanas Nacionales (DIAN). The VAT receivable is recognized based on the principles of causality, proportional deduction, and compliance with documentary requirements as stipulated by Colombian tax laws. The recovery of the VAT receivable is subject to meeting the requirements for deductibility, including the possession of valid VAT invoices or equivalent documents issued by registered suppliers. The company regularly assesses its VAT positions and ensures compliance with relevant tax laws and regulations.

In assessing the recovery of VAT receivable, the company considers various factors such as the growth projections of its taxable activities, changes in business operations, and potential adjustments in VAT legislation. The assessment is inherently subjective and involve significant management judgment. They are based on management's historical experience, current trends, and expectations of future economic conditions.

Critical Estimates

(c) Warrants and share-based compensation:

The Company issues common share purchase warrants as part of unit placements in equity financing raises and also provides compensation benefits to employees, consultants, directors and officers through a stock option plan. The fair value of each warrant is estimated using the Binomial pricing model and the fair value of each option award is estimated using the Black-Scholes option pricing model. The binomial pricing model and Black-Scholes option pricing models involve the use of significant estimates including expected volatility, interest rates, expected life and forfeitures. Expected volatility is based on historical company's own volatility. The risk-free rate for the expected term of the warrant or option is based on the Government of Canada yield curve in effect at the time of issue or grant. Management judgement is utilized to estimate option forfeiture behaviour with the valuation model in respect of options.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the period-end exchange rate. Non-monetary items which are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the initial recognition of the transaction. Revenue, expense items and property, plant and equipment are translated using the rate at the date of the transaction, except for depreciation and amortization, which are translated at historic rates.

(b) Financial instruments

Measurement – Initial Recognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities. Management determines the classification on initial recognition.

Financial Assets

Financial assets are classified and measured at FVTPL, fair value through other comprehensive income ("FVOCI"), or amortized cost, as appropriate. The classification depends on the purpose for which the financial assets were acquired.

Financial assets are classified as FVTPL when the financial asset is either held for trading or is designated as FVTPL. Realized and unrealized gains and losses arising from changes in fair value are recognized in profit or loss.

Financial assets classified as FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election on initial recognition to measure the assets at FVOCI. The Company currently has no financial assets classified as FVOCI.

Financial assets at amortized cost are non-derivative financial assets that are held for collection of contractual cash flows, where those cash flows represent repayments of principal and interest.

The Company’s cash and cash equivalents and receivables are classified as financial assets at amortized cost.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements.

Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or the Company has elected to measure the financial liability at FVTPL.

The Company’s accounts payable and accrued liabilities are classified as financial liabilities at amortized cost.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as proceeds received, net of direct issue costs.

Derivatives

Derivative assets and liabilities include derivative financial instruments that do not qualify as hedges or are not designated as hedges and are classified as FVTPL.

Warrants Liability

From time to time, the Company has common share purchase warrants denominated in Canadian dollars, which are classified as derivative financial liabilities, presented as warrants liability and measured at fair value until the instruments are exercised or extinguished ("Warrants”). Fair value of exercised warrants is transferred to contributed surplus at the exercise date. Warrants that expire unexercised are considered extinguished. Gains or losses on extinguishment are recognized in profit or loss. Proceeds from unit placements are allocated between shares and Warrants issued on the residual fair value method to the shares within the unit. Fair value for the Warrants is determined using the Binomial pricing model. Incremental costs directly attributable to unit placements, are allocated on a pro-rata basis between shares and Warrants, with the portion allocated to Warrants recognized as an expense in the statement of operations and comprehensive loss. Any gain or loss arising from the revaluation of a Warrant, is recognized in profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire or are transferred or when the Company no longer retains substantially all the risks and rewards of ownership. On derecognition, the difference between the carrying amount measured at the date of derecognition and consideration received is recognized in profit or loss, except for financial assets at FVOCI, for which the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand or on deposit with banks, short-term investments which are readily convertible into cash, or which have maturities of 90 days or less.

(d) VAT Receivable

The company recognizes a long-term VAT receivable on purchases and expenses in the period in which the underlying transaction occurs. VAT incurred on purchases and expenses related to taxable activities is recorded as receivable and included in the total long-term VAT receivable.

The recovery of the VAT receivable is subject to meeting the requirements for deductibility, including the possession of valid VAT invoices or equivalent documents issued by registered suppliers. The company regularly assesses its VAT positions and ensures compliance with relevant tax laws and regulations.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price, any directly attributable costs of bringing the asset to its present working condition and location 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.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of an asset begins when it is available for use, that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of each asset is calculated using the straight-line method or units of production, as appropriate, to allocate its cost less its residual value over its estimated useful life, as follows:

Buildings and facilities	10-30 years
Computer equipment	3 years
Exploration equipment and structures	3-10 years
Leasehold improvement	3-4 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of operations and comprehensive loss.

(f) Exploration and evaluation expenditures, mineral interests and mineral development costs

Exploration and evaluation expenditures relate to those activities involving the search for mineral deposits with economic potential, the process of obtaining more information about existing mineral deposits, the determination of technical feasibility and the assessment of commercial viability of a mineral interest.

The Company expenses all exploration and evaluation expenditures, including all expenditures incurred under option agreements, within an area of interest until management determines the mineral interest to be technically feasible and commercially viable.

Technical feasibility and commercial viability of a mineral interest generally coincide with the establishment of proven and probable reserves; however, this determination may be impacted by management's assessment of certain modifying factors, including, but not limited to the status of environmental permit applications and the status of mining leases or permits. Upon demonstrating technical feasibility and commercial viability, all subsequent costs directly relating to the development and advancement of the related mineral interest are capitalized as mineral development costs within properties, plant and equipment.

(g) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are classified within property, plant and equipment in the consolidated statement of financial position.

The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. Interest recognized on the consolidated statement of operations and comprehensive loss is classified as a financing cost.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero upon remeasurement of the liability.

(h) Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate credit-adjusted risk- free rate.

(i) Share capital and contributed surplus

Share capital

Amounts received for the issuance of shares are recognized as an increase in share capital, including amounts received upon exercise of options or warrants. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from share capital.

Proceeds from unit placements are allocated between shares and warrants issued on the residual fair value method to the shares within the unit and using the Binomial pricing model to determine fair value for the warrants. Incremental costs directly attributable to unit placements, are allocated on a pro-rata basis between shares and warrants, with the portion allocated to shares recognized as a deduction from share capital.

Contributed surplus

Additional capital contributions received with no corresponding issuance of shares are recognized as contributed surplus. Upon exercise of Warrants, the fair value of the Warrants on the date of exercise are recognized in contributed surplus.

Contributed surplus – share-based payments

The Company has a stock option plan for its employees, directors and other eligible participants (“Participants”).

Stock options are granted to Participants to purchase common shares at a price determined at the time of grant. Fair value for stock options granted is determined on grant date using the Black-Scholes option-pricing model. Share-based compensation expense is recorded over the period the options vest, with a corresponding increase to contributed surplus. The Company issues new common shares to satisfy stock option exercises, with the proceeds received, net of any directly attributable transaction costs, credited to share capital.

(j) Share-based payments

The Company has a stock option plan for its employees, directors and other eligible participants (“Participants”).

Stock options are granted to Participants to purchase common shares at a price determined at the time of grant. Fair value for stock options granted is recognized on a graded vesting method of amortization over the period during which the employee becomes entitled to exercise these equity instruments. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest and the share-based compensation expense is recorded, with a corresponding increase to contributed surplus.

(k) Loss per share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by application of the treasury stock method. The treasury stock method calculates the dilutive effect of share options assuming that the proceeds to be received on the exercise of share options are applied to repurchase common shares at the average market price of the period.

(l) Income taxes

Current income taxes are recognized for the estimated income taxes payable or recoverable for the current year. Deferred income tax assets and liabilities are recognized for temporary differences between the tax and accounting bases of assets and liabilities. Deferred income tax assets and liabilities are measured using substantially enacted tax rates that apply for the years in which the temporary differences are expected to be recovered or settled. Deferred income tax assets are recognized to the extent that it is probable that the asset will be realized.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

5. NEW ACCOUNTING STANDARDS

The following new standards and amendments to existing standards were issued by the IASB and are expected to be adopted by the Company in 2025 or later.

(a) IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”) - In April 2024, IFRS 18, was issued to achieve comparability of the financial performance of similar entities. The issuance of IFRS 18 is expected to have a substantive impact on financial statements, including potential changes to the structure of the income statement and various disclosure requirements. The standard, which replaces IAS 1, “Presentation of Financial Statements”, impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is assessing the potential impact of the standard on its consolidated financial statements.

6. RECEIVABLES AND PREPAID EXPENSES

Receivables and prepaid expenses are made up of the following:

As at	**December 31, 2024**	December 31, 2023
	$	$
Prepaid expenses	**517,442**	280,616
Advance to suppliers	**72,082**	48,179
Other receivables (a)	**94,131**	18,371
	683,655	347,166

(a) Other receivables

Included in other receivables is $79,692 (December 31, 2023 – $18,371) of Harmonized Sales Tax (“HST”) refund receivable in Canada.

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and Equipment consist of the following:

	Land and Buildings	**Exploration Equipment and structures**	**Computer Equipment**	**Leasehold Improvement**	**Right of use assets (a)**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Opening net book value, January 1, 2024	**62,075**	**335,433**	**64,636**	**87,541**	**106,534**	**656,219**
Additions	**–**	**133,217**	**29,905**	**75,800**	**124,778**	**363,700**
Depreciation (b)	**(3,326)**	**(124,946)**	**(60,418)**	**(66,370)**	**(84,797)**	**(339,857)**
Net book value, December 31, 2024	**58,749**	**343,704**	**34,123**	**96,971**	**146,515**	**680,062**
Balance, December 31, 2024						
Cost	**65,876**	**605,459**	**220,469**	**295,611**	**244,628**	**1,432,043**
Accumulated depreciation	**(7,127)**	**(261,755)**	**(186,346)**	**(198,640)**	**(98,113)**	**(751,981)**
Net book value	**58,749**	**343,704**	**34,123**	**96,971**	**146,515**	**680,062**

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

	Land and Buildings	Exploration Equipment and structures	Computer Equipment	Leasehold Improvement	Right of use assets (a)	Total
	$	$	$	$	$	$
Opening net book value, January 1, 2023	–	193,363	86,281	121,103	92,829	493,576
Additions	65,876	222,387	41,343	23,900	119,850	473,356
Disposals and write-downs	–	–	–	–	(64,589)	(64,589)
Depreciation (b)	(3,801)	(80,317)	(62,988)	(57,462)	(41,556)	(246,124)
Net book value, December 31, 2023	62,075	335,433	64,636	87,541	106,534	656,219
Balance, December 31, 2023						
Cost	65,876	472,243	190,563	219,809	119,850	1,068,341
Accumulated depreciation	(3,801)	(136,810)	(125,927)	(132,268)	(13,316)	(412,122)
Net book value	62,075	335,433	64,636	87,541	106,534	656,219

(a) Right of use assets

Right of use assets as at December 31, 2024, are comprised of two warehouse leases each with an initial term of 3 years plus an extension for an additional term of 1 year, and one office lease with an initial term of 1 year plus an extension for an additional term of 1 year. The value of additions is determined as the present value of lease payments at the inception of the lease (see Note 11).

(b) Depreciation

Depreciation expense for the year ended December, 31 2024 of $339,857 (year ended December 31, 2023 of $246,124) was recognized within exploration and evaluation expenses and general and administration expenses in the consolidated statement of operations and comprehensive loss (See Notes 19(a),(b)).

8. MINERAL INTERESTS

(a) Guayabales Project

The Guayabales project is comprised of exploration applications, exploration titles, two option agreements and a number of surface rights agreements. The Guayabales Project is located in the Middle Cauca belt in the Department of Caldas, Colombia.

The Company entered into two option agreements (the “First Guayabales Option” and the “Second Guayabales Option”) with third parties to explore, develop and acquire property within the Guayabales Project.

In October 2023 and May 2024, the Company secured option agreements to purchase surface rights (see Note 21).

Details of the two first option agreements are as follows:

i. First Guayabales Option

On June 24, 2020, the Company entered into the First Guayabales Option. The terms of the agreement are as follows:

Phase 1:

The Company must incur a minimum of $3,000,000 of exploration and evaluation expenditures in respect of such property within the First Guayabales Option and total option payments of $2,000,000 over a maximum four-year term ending on or before

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

June 24, 2024, to proceed to Phase 2 of the agreement. The Company met these commitments and has entered Phase 2 of the agreement.

Phase 2:

To acquire a 90% interest in the property within the First Guayabales Option, the Company must incur a minimum of $10,000,000 of exploration and evaluation expenditures in respect of such property and total option payments of $2,000,000, payable in equal instalments of $166,666 semi-annually over a maximum six-year term, commencing at the end of Phase 1.

Phase 3:

To acquire the remaining 10% interest in the property within the First Guayabales Option, the Company has the following options:

- provide notice that the Company has elected to pay a 1% NSR commencing on the first calendar day of each month after 85% of the processing plant capacity has been achieved in exchange for the remaining 10% interest;
- acquire 0.625% each year to a total of 10% by paying $250,000 semi-annually, commencing at the end of Phase 2, to a total of $8,000,000 in lieu of the NSR; or
- pay a one-time payment of $8,000,000 in lieu of the NSR.

In addition, the Company is required to fund and complete all development and construction activities to bring the project to commercial production.

Summary:

The following is a summary of the option payments and exploration expenditures required to acquire 100% of the property under the First Guayabales Option:

		Option Payments	**Exploration Expenditures**	**Total**
		$	**$**	**$**
Phase 1	June 24, 2020 – June 24, 2024	2,000,000	3,000,000	5,000,000
Phase 2	June 24, 2024 – June 24, 2030	2,000,000	10,000,000	12,000,000
Phase 3	To commercial production	8,000,000[1]	–	8,000,000
		12,000,000	13,000,000	25,000,000

1 Based on the assumption that the Company does not elect to pay the NSR.

The Company has the option to terminate the agreement at any time, upon notification to the optionor. As a result, the Company has not recognized any option payments payable in the future under the agreement in the consolidated statement of financial position.

For the year ended December 31, 2024, the Company has recognized $9,638,126 (year ended December 31, 2023 – $9,164,527), including option payments of $416,666 (year ended December 31, 2023 –$500,000), as exploration and evaluation expense in the consolidated statement of operations in respect of the First Guayabales Option.

As at December 31, 2024, and from inception of the agreement, the Company has recognized a total of $28,857,630 as exploration and evaluation expenditures in respect of the minimum expenditures required under the Option agreement and has made total option payments of $2,166,666 required within the agreement.

ii. Second Guayabales Option

On January 4, 2021, the Company entered into the Second Guayabales Option. The terms of the agreement are as follows:

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

Phase 1:

The option agreement provides the Company the right to explore the property within the Second Guayabales Option over a four-year term, expiring on January 2, 2025, for total payments over the term of the agreement of $1,750,000.

Phase 2:

The option agreement provides the Company the right to explore the property within the Second Guayabales Option over a second four-year term between January 2, 2025 to January 2, 2029 for total payments over the term of $1,000,000.

Phase 3:

Upon completion of Phase 2, the Company is required to pay a total of $4,300,000 over a two-year period ending on January 2, 2031 to acquire 100 percent of the property within the Second Guayabales Option.

Summary:

The following is a summary of the option payments to acquire the property under the Second Guayabales Option:

	$
Total Phase 1	1,750,000
Total Phase 2	1,000,000
Total Phase 3	4,300,000
	7,050,000

The Company has the option to terminate the agreement at any time, upon notification to the optionor.

For the year ended December 31, 2024, the Company has recognized $1,737,429 (year ended December 31, 2023 – $nil), including option payments of $250,000 (year ended December 31, 2023 – $nil), as exploration and evaluation expense in the consolidated statement of operations and comprehensive loss in respect of Phase I of the Second Guayabales Option.

As at December 31, 2024, and from inception of the agreement, the Company has made total option payments of $1,500,000.

iii. Surface Rights Agreements

October 2023

On October 17, 2023, the Company entered into two option agreements with third parties to acquire surface rights over a four-year period. These option agreements replace and supersede the previous option agreements to acquire surface rights. The option agreements provide the Company the right to explore and acquire the property over a four-year term, expiring on April 30, 2027, for total payments over the term of the agreements of $4,400,000.

The Company has the option to terminate the agreement at any time, upon notification to the optionor.

For the year ended December 31, 2024, the Company has recognized option payments of $825,000 (year ended December 31, 2023 – $600,000), as exploration and evaluation expense in the annual consolidated statement of operations.

As at December 31, 2024, and from inception of the agreement, the Company has made total option payments of $1,425,000.

May 2024

On May 23, 2024, the Company entered into three option agreements with third parties to acquire surface rights. The option agreements provide the Company the right to explore and acquire the property. One agreement concludes on April 23, 2025, one agreement concludes on August 23, 2025, and the other one concludes on September 23, 2027. Upon conclusion of each agreement, the Company becomes the owner of the mentioned surface rights. Total payments over the term of the three agreements is $294,000.

The Company has the option to terminate the agreement at any time, upon notification to the optionor.

For the year ended December 31, 2024, the Company has recognized option payments of $214,650, as exploration and evaluation expense in the consolidated statement of operations and comprehensive loss.

(b) San Antonio Project

On July 9, 2020, the Company entered into an option agreement with a third party to acquire the San Antonio Project. The San Antonio project is located approximately 80 kilometres south of Medellín. It is situated in the Middle Cauca belt in the Department of Caldas, Colombia.

The option agreement provides the Company the right to explore, develop and acquire the property over a seven-year term, expiring on July 9, 2027, for total payments over the term of the agreement of $2,500,000. The Company has the option to pay an additional $2,500,000 to the optionor upon reaching commercial production in exchange for the 1.5% NSR on the property that would otherwise be payable to the optionor.

The exploration and development program, including the amount of expenditures, is at the sole discretion of the Company during the term of the agreement.

For the year ended December 31, 2024, the Company has recognized a total of $634,715 (year ended December 31, 2023 – $310,633), including option payments of $250,000 (year ended December 31, 2023 – $150,000) as exploration and evaluation expense in the annual consolidated statement of operations and comprehensive loss.

As the Company has the option to terminate the agreement at any time, upon notification to the optionor, the Company has not recognized any option payments payable in the future under the agreement in its consolidated statement of financial position.

As at December 31, 2024, and from inception of the agreement, the Company has made total option payments of $580,000.

9. LONG-TERM VAT RECEIVABLE

Long-term receivable represents value added taxes in respect of exploration activities that will be recovered when the related project commences production.

10. WARRANTS LIABILITY

The following represents warrants, denominated in Canadian dollars, and classified as derivative financial liabilities:

	Year ended December 31, 2024		Year ended December 31, 2023	
	Number of warrants	**$**	Number of warrants	$
Opening balance	**1,836,150**	**1,638,808**	2,391,700	1,462,126
Subscription Warrants issued – March 2024 (b)	**2,250,000**	**1,193,632**	–	–
Warrants exercised	**(1,836,150)**	**(1,784,361)**	(555,550)	(1,126,799)
Fair value revaluation of warrants liability (a) (b)	**–**	**2,115,036**	–	1,303,481
Balance	**2,250,000**	**3,163,115**	1,836,150	1,638,808
Current portion	**(2,250,000)**	**(3,163,115)**	(1,836,150)	(1,638,808)
Long-term portion	**–**	**–**	–	–

(a) Subscription Warrants – October 2022 Offering

On October 25, 2022, the Company closed a Bought Deal Offering (the "October 2022 Offering") of C$10,762,650 ($7,890,716), conducted by a syndicate of underwriters, and consisted of the sale of 4,783,400 Units at a price of C$2.25 per Unit.

Each Unit consisted of one common share of CML and one-half share purchase warrant of CML (each whole warrant, a "Subscription Warrant"). Each Subscription Warrant has an exercise price of C$3.25 with an expiry date on April 25, 2024.

The Warrants are classified as derivative financial liabilities as they are denominated in Canadian dollars and the Company's functional currency is the US dollar. Proceeds from the October 2022 Offering are allocated between Common Shares and Subscription Warrants on the residual fair value method within the unit.

The issue date fair value of the Warrants was determined to be C$0.55 per warrant with the resulting allocation of the total proceeds for the October 2022 Offering being:

	C$	**$**
Warrants liability – Subscription Warrants	1,326,628	972,627
Share capital – Subscription Shares	9,436,022	6,918,089
Total gross proceeds	**10,762,650**	7,890,716

For the year ended December 31, 2024, the Company recognized a derivative loss of $145,555 (year ended December 31, 2023 – derivative loss of $1,303,481) in the annual consolidated statement of operations and comprehensive loss for the revaluation of the Warrants.

As at December 31, 2024, there were no outstanding Subscription Warrants – October 2022 Offering and the balance of the warrants was $nil. As of April 25, 2024, all 2,391,700 Subscription Warrants – October 2022 were exercised with total proceeds received of $5,702,773 (C$7,773,025) representing the exercise of all Subscription Warrants.

(b) Subscription Warrants – March 2024 Offering

On March 4, 2024, the Company closed a strategic investment by a single purchaser on a non-brokered private placement (the "March 2024 Offering") of C$18,900,000 ($13,925,729). The March 2024 Offering consisted of the sale of 4,500,000 Units at a price of C$4.20 per Unit.

Each Unit was comprised of one common share in the capital of the Company ("Common Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share, subject to standard anti-dilution provisions, at a price of $5.01 until March 4, 2027, however the Company has the right to accelerate the expiry of the Subscription Warrants to the date which is 30 trading days following the date a notice is provided in the event that the Company's closing price on the TSX remains equal to or higher than $6.00 for 20 consecutive trading days following the date that is 24 months after the Closing Date.

The Warrants are classified as derivative financial liabilities as they are denominated in Canadian dollars and the Company's functional currency is the US dollar. Proceeds from the March 2024 Offering are allocated between Common Shares and Subscription Warrants based on the residual fair value method within the unit.

The issue date fair value of the Warrants was determined to be C$0.72 per warrant with the resulting allocation of the total proceeds for the March 2024 Offering being:

	C$	$
Warrants liability – Subscription Warrants	1,620,000	1,193,634
Share capital – Subscription Shares	17,280,000	12,732,095
Total gross proceeds	**18,900,000**	**13,925,729**

For the year ended December 31, 2024, the Company recognized a derivative loss of $1,969,481 in the annual consolidated statement of operations and comprehensive loss for the revaluation of the Warrants.

Fair value for the Subscription Warrants was determined using the Binomial pricing model following weighted average assumptions as at December 31, 2024:

Weighted average share price	C$5.97
Weighted average risk-free interest rate	3.09%
Weighted average dividend yield	Nil
Weighted average stock price volatility	52.56%
Weighted average period to expiry (years)	2.17

11. LEASE LIABILITIES

As at	**December 31, 2024**	December 31, 2023
	$	$
Opening balance	**119,697**	76,611
New leases during the year	**124,778**	119,850
Termination of lease agreement	**–**	(62,860)
Lease payments	**(114,790)**	(54,442)
Interest accretion expense	**50,126**	21,792
Foreign exchange	**(24,284)**	18,746
Balance	**155,527**	119,697
Current portion	**(82,795)**	(32,918)
Long-term portion	**72,732**	86,779

The lease liabilities were measured on inception of the lease at the present value of the lease payments over the lease term, discounted using a weighted average discount rate of 30.54%, based on the Company's incremental borrowing rate.

Interest accretion expense or amortization of the discount on the lease liability is charged to the consolidated statement of operations and comprehensive loss using the effective interest method.

For the year ended December 31, 2024, the Company made lease payments of $275,451 (year ended December 31, 2023 – $105,115) for contracts with terms of 12 months or less and which were recognized as lease expense within exploration and evaluation expenses.

12. INCOME TAXES

The Company is incorporated in Ontario, Canada and is subject to income taxes at a combined federal and provincial statutory rate as at December 31, 2024 and 2023 of 26.5%. The tax on the Company's net income (loss) before tax differs from the amount that would arise using the tax rate applicable to the Company as follows:

As at	December 31, 2024	December 31, 2023
		$
Net loss before income taxes	**(26,948,922)**	(19,133,658)
Expected income tax recovery	**(7,141,464)**	(5,070,420)
Foreign tax rates differences	**(226,755)**	312,514
Non-deductible items	**1,115,325**	680,726
Adjustments in respect of prior years	**142,541**	(45,055)
	(6,110,353)	(4,122,235)
Change in unrecognised deferred tax assets	**6,110,353**	4,122,235
Income tax expense (recovery)	**–**	–

The Company and its subsidiaries have not generated any taxable profit in 2024 and 2023. As the Company is in the exploration stage, it is not probable that any tax benefit from available tax losses and tax assets will be realized in the future and therefore, the Company has not recognized their effect in the consolidated statements as at December 31, 2024.

Tax losses and tax assets available in Canada and Colombia to reduce income taxes payable in the future, for which the effect has not been recognized in the consolidated financial statements as at December 31, 2024 are as follows:

As at	December 31, 2024	Expiry Date	December 31, 2023	Expiry Date
	$		$	
Tax loss – Colombia (a)	**13,020,087**	**2025-2036**	32,438,838	2024-2035
Intangibles – Colombia (a)	**36,669,901**	**2025-2034**	–	2024-2033
Fixed assets and others – Colombia	**609,182**	**2025-2034**	722,482	2024-2033
Tax loss – Canada	**12,153,714**	**2025-2044**	7,149,449	2024-2043
Transaction costs - Canada	**177,233**	**No expiry**	177,233	No expiry
Financing costs – Canada	**3,655,706**	**No expiry**	1,843,299	No expiry

(a) Exploration expenses incurred in Colombia are recognized as part of intangible assets for tax purposes resulting in a reclassification between the tax loss and intangible tax pools.

Underlying tax losses and tax assets in Colombia are denominated in Colombian pesos.

13. RELATED PARTY TRANSACTIONS

Related parties include management, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Compensation of key management personnel

Key management includes independent directors, the executive chairman of the board of directors (the "Chairman"), the president and chief executive officer ("CEO") and the chief financial officer ("CFO"). The remuneration of members of key management personnel were as follows:

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

	For the year ended December 31, 2024	For the year ended December 31, 2023
	$	**$**
Management salaries and benefits	**1,303,494**	1,334,590
Share-based payments	**302,191**	407,115
	1,605,685	1,741,705

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company.

14. FINANCIAL INSTRUMENTS

Financial Instrument Disclosures

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

Fair value measurement

Fair market value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

Fair value measurement is determined based on the fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The carrying values for financial assets and liabilities for cash and cash equivalents, accounts payable and accrued liabilities approximate their fair values as at December 31, 2024.

Other financial liabilities as at December 31, 2024 and 2023 were as follows:

As at December 31, 2024	FVTPL	FVOCI	Amortized Cost	Total
	$	$	$	$
Financial liabilities				
Warrants liability (level 2)	**3,163,115**	**–**	**–**	**3,163,115**
Lease liabilities (level 2)	**–**	**–**	**155,527**	**155,527**
	3,1,63,115	**–**	**155,527**	**3,318,642**

As at December 31, 2023	FVTPL	FVOCI	Amortized Cost	Total
	$	$	$	$
Financial liabilities				
Warrants liability (level 2)	1,638,808	–	–	1,638,808
Lease liabilities (level 2)	–	–	119,697	119,697
	1,638,808	–	119,697	1,758,505

There were no transfers between the fair value hierarchy during the year ended December 31, 2024.

15. FINANCIAL AND CAPITAL RISK MANAGEMENT

(a) Financial Risk Management

The Company's activities expose it to a variety of financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Risk management is carried out by the Company's management with guidance from and policies approved by the Board of Directors.

Financial Risk Factors

Foreign currency risk

Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in currency that is not the entity's functional currency. The Company's functional currency is the U.S. dollar. The Company conducts some of its operating, financing and investing activities in currencies other than the U.S. dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the U.S. dollar. The Company does not use derivative instruments to hedge exposure to foreign exchange risk.

At year end the exchange rate was COP:US$ 4,409.15 based on Banco de la Republica - Colombia (COP:US$ 3,822.05 in 2023), and COP:US$ 4,071.35 was the average in 2024 (COP:US$ 4,325.05 was the average in 2023).

At year end the exchange rate was CAD:US$ 0.6950 based on Bank of Canada (CAD:US$ 0.7561 in 2023), and CAD:US$ 0.7300 was the average in 2024 (CAD:US$ 0.7402 was the average in 2023).

The Company had the following foreign currency balances:

As at December 31, 2024	**Foreign Currency**	**Foreign Balance**	**$**
Cash and cash equivalents	COP (000's)	**1,194,733**	**270,967**
Cash and cash equivalents	CAD	**42,518,337**	**29,549,195**
Receivables	COP (000's)	**1,597,666**	**362,352**
Long-Term VAT Receivable	COP (000's)	**9,972,248**	**2,261,717**
Receivables	CAD	**114,670**	**79,693**
Accounts payable and accrued liabilities	COP (000's)	**(6,860,475)**	**(1,555,963)**
Accounts payable and accrued liabilities	CAD	**(24,324)**	**(16,904)**
Warrants liability	CAD	**(4,551,406)**	**(3,163,115)**
Lease liability	COP (000's)	**(685,742)**	**(155,527)**
As at December 31, 2023	Foreign Currency	Foreign Balance	$
Cash and cash equivalents	COP (000's)	1,380,749	361,259
Cash and cash equivalents	CAD	13,041,560	9,860,548
Receivables	COP (000's)	698,996	182,885
Long-Term VAT Receivable	COP (000's)	6,877,768	1,799,497
Receivables	CAD	24,298	18,371
Accounts payable and accrued liabilities	COP (000's)	(5,973,328)	(1,562,860)
Accounts payable and accrued liabilities	CAD	(208,325)	(157,512)
Warrants liability	CAD	(2,167,487)	(1,638,808)
Lease liability	COP (000's)	(457,494)	(119,698)

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from its properties. The majority of the Company's cash and cash equivalents are held with banks in Canada and Colombia. Funds held in banks in Colombia are limited to yearly forecasted Colombian denominated expenses. The Company limits material counterparty credit risk on these assets by dealing with financial institutions with credit ratings of at least "BBB-" or higher, or those which have been otherwise approved. Receivables mainly consist of receivables for refundable commodity taxes in Canada and Colombia. Management believes that the credit risk concentration with respect to remaining amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company manages its liquidity risk by proactively mitigating exposure through cash management, including forecasting its liquidity requirements with available funds and anticipated investing and financing activities.

As at December 31, 2024, the cash balance was $38,930,957 However, the cash balance is not sufficient to meet all of its future obligations in respect of exploration and administrative expenditures and the option contracts in Note 21 if the Company elects to exercise all its options in respect of all the contracts. Thus, continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from existing shareholders and/or new shareholders or through other arrangements, complete sufficient public equity financing, or generate profitable operations in the future.

Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. The Company's cash balances are not subject to significant interest rate risk as balances are current.

(b) Capital Management

The Company manages its capital to maintain its ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral interests. The Company mainly relies on equity issuances to raise new capital. The capital structure of the Company includes the components of equity as well as cash and cash equivalents.

On November 10, 2021, the Company filed a short form base shelf prospectus which will allow the Company to issue common shares, warrants, subscriptions receipts, units of debt securities among others for up to an aggregate total of C$100,000,000. The initial base shelf prospectus was effective until December 2023.

In connection with the initial base shelf prospectus:

- On October 25, 2022, the Company closed the October 2022 Offering for a total of $7,891,000 (C$10,763,000) which consisted of the sale of 4,783,400 units at a price of C$2.25 per unit.
- On March 22, 2023, the Company closed the March 2023 Offering for a total of $21,882,311 (C$30,005,000) which consisted of the sale of 7,060,000 shares at a price of C$4.25 per share.

On December 6, 2023, the Company filed a new short form base shelf prospectus ("Current Base Shelf Prospectus") which will allow the Company to issue common shares, warrants, subscriptions receipts, units or debt securities, or a combination thereof up to an aggregate total of C$200,000,000. The new base shelf prospectus replaces the one approved on November 10, 2021 and remains effective until January 2026.

In connection with the Current Base Shelf Prospectus:

- On October 31, 2024, the Company closed the October 2024 Offering for a total of $28,923,541 (C$40,250,000) which consisted of the sale of 8,050,000 shares at a price of C$5.00 per share.

As of March 24th, 2025, the remaining balance of the base shelf prospectus is C$159,750,000

The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company maintains its cash in highly liquid short-term deposits which can be liquidated immediately without interest or penalty.

The Company's overall strategy with respect to capital risk management has remained consistent for the year ended December 31, 2024.

16. SHARE CAPITAL

(a) Authorized

Authorized share capital consists of an unlimited number of common shares without par value. All issued shares are fully paid. No dividends have been paid or declared by the Company since inception.

(b) Issued

During the years ended December 31, 2024, and 2023, the Company issued shares resulting from the following transactions:

2024 Transactions

i. On March 4, 2024, the Company issued 4,500,000 common shares upon closing of the March 2024 Offering. Proceeds from the March 2024 Offering of C$18,900,000 ($13,925,729) were allocated between Common Shares and Warrants on a pro-rata basis of their fair value within the unit of which $12,732,095 was allocated to Common Shares (See Note 10(b)). Common share issue costs of $702,386 were recognized as a reduction in share capital.

ii. On October 31, 2024, the Company issued 8,050,000 common shares, at a price of C$5.00 per share, resulting from the closing of the October 2024 Offering for a total of $28,923,541 (C$40,250,000). Common Share issue costs of $2,226,144 were recognized as a reduction in share capital.

iii. On October 31, 2024, the Company issued 1,226,235 common shares, at a price of C$5.00 per share, resulting from the closing of the October 2024 Private Placement for a total of $4,405,846 (C$6,131,175).

iv. The Company issued 754,917 common shares resulting from the exercise of stock options (See Note 18).

v. The Company issued 1,836,150 common shares resulting from the exercise of warrants (See Note 10(a)).

2023 Transactions

vi. On March 22, 2023, the Company issued 7,060,000 common shares, at a price of C$4.25 per share, resulting from the closing of a Bought Deal Offering (the "March 2023 Offering") for a total of $21,882,311 (C$30,005,000). Common share issue costs of $1,579,306 were cash based and were recognized as a reduction in share capital

vii. The Company issued 847,574 common shares resulting from the exercise of stock options (See Note 18)

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

viii. The Company issued 555,550 common shares resulting from the exercise of warrants (See Note 10)

17. EARNINGS PER SHARE

(a) Basic

Basic earnings (loss) per share are calculated by dividing net income (loss) attributable to equity holders of the Company by the weighted average number of common shares outstanding as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Net loss	**$(26,948,922)**	$ (19,133,658)
Weighted average number of common shares outstanding	**68,401,442**	58,191,317
Basic net loss per common share	**$(0.33)**	$ (0.33)

(b) Diluted

The Company incurred a net loss for the year ended December 31, 2024, and December 31, 2023; therefore, all outstanding stock options and share warrants have been excluded from the calculation of diluted loss per share since the effect would be anti-dilutive.

18. SHARE BASED PAYMENTS

The Company adopted a stock option plan (the "Plan") pursuant to the Securities Act of Ontario (the "Act"). The aggregate maximum number of shares reserved for issuance under the Plan and all other security-based compensation arrangements (together "Share Compensation Arrangements") at any given time is 10% of the Company's issued and outstanding shares as at the date of the grant of the Share Compensation Arrangement. Any shares subject to a stock option under the Plan which have been exercised, cancelled, repurchased, expired or terminated in accordance with the Plan will again be available under the Plan.

Under the Plan, the Company may grant to directors, officers, employees, and consultants stock options to purchase common shares of the Company. Stock options granted under the Plan will be for a term not to exceed 10 years.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

The continuity of stock options during the year were as follows:

	2024		2023	
	Number of stock options	**Weighted average exercise price**	Number of stock options	Weighted average exercise price
		C$		C$
Outstanding, beginning of year	**4,177,217**	**3.10**	4,019,167	2.25
Granted	**1,100,000**	**5.94**	1,205,000	4.44
Exercised	**(754,917)**	**(1.44)**	(847,574)	(1.06)
Forfeited	**(87,500)**	**(3.86)**	(199,376)	(2.63)
Outstanding, December 31	**4,434,800**	**4.07**	4,177,217	3.10

The following table summarizes information about stock options outstanding and exercisable as at December 31, 2024:

	Options Outstanding			Options Exercisable		
Range of Price (C$)	Number of Options Outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price (C$)	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price (C$)
$2.00 – $3.00	2,057,300	2.30	2.87	2,057,300	2.30	2.87
$3.01 – $4.00	142,500	1.60	3.95	142,500	1.60	3.95
$4.01 – $7.00	2,235,000	4.41	5.19	476,249	3.78	4.69
	4,434,800	**3.34**	**4.07**	**2,676,049**	**2.53**	**3.25**

Options outstanding as at December 31, 2024 have vesting terms of every six or eight months over a two or three year period and have terms of five years.

The unamortized portion of share-based expenses as of December 31, 2024, is $2,022,540. This amount remains to be recognized in future periods.

The following is a summary of the stock options granted during the year, the fair values and the assumptions used in the Black-Scholes option pricing formula:

For the twelve months ended December 31	**2024**	2023
Number of options granted	**1,100,000**	1,205,000
Weighted average share price on grant date	**C$5.94**	C$4.44
Weighted average risk-free interest rate	**2.98%**	3.68%
Weighted average dividend yield	**Nil**	Nil
Weighted average stock price volatility, based on historical volatility for the Company and comparable companies	**56%**	63%
Weighted average period to expiry (years)	**3.8**	3.4
Weighted average grant date fair value per share	**$1.85**	$1.50

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

19. EXPENSES BY NATURE

(a) Exploration and evaluation

Exploration and evaluation expense is made up of the following:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	$	$
Drilling services	**6,263,964**	5,039,861
Salaries and benefits	**2,449,153**	1,890,277
Option payments and fees (i)	**2,281,550**	1,482,235
Assaying	**1,757,368**	2,017,051
Field costs, surveys and other	**1,726,830**	1,107,011
Transportation and meals	**1,125,148**	767,690
Consulting and professional fees	**914,448**	907,290
Communities	**587,234**	305,420
Security	**328,931**	303,767
Geophysics	**334,764**	70,335
Depreciation and amortization	**295,475**	223,694
	18,064,865	14,114,631

i. Includes total option payments in respect of option agreements for the year ended December 31, 2024, of $1,956,316 (year ended December 31, 2023 – $1,250,000).

(b) General and administration

General and administration expense is made up of the following:

	For the year ended December 31, 2024	**For the year ended December 31, 2023**
	$	$
Salaries and benefits	**1,885,728**	1,984,299
Share-based compensation	**1,167,109**	1,473,869
Travel and entertainment	**442,747**	556,113
Consulting and professional fees	**798,818**	497,627
Office administration	**439,515**	303,224
Regulatory and compliance fees	**582,199**	247,588
Investor relations	**343,722**	191,187
Directors' fees and expenses	**64,042**	29,833
Depreciation and amortization	**44,382**	22,430
	5,768,262	5,306,170

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

(c) Finance costs

Finance costs are made up of the following:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	$	$
Finance issue expense (i)	**65,849**	–
Interest accretion expense (ii)	**50,126**	21,792
Other finance expenses	**73,856**	56,568
	189,831	78,360

i. Represents the portion of the March 2024 Offering financing costs allocated to the Subscription Warrants.

ii. Interest accretion expense or amortization of the discount is in respect of the lease liability, representing also the interest portion of lease payments (See Note 11)

20. CASH FLOW INFORMATION

Operating Activities

Net changes in working capital items:

	For the year ended December 31, 2024	For the year ended December 31, 2023
	$	$
Receivables and prepaid expenses	**(1,128,861)**	(1,003,980)
Accounts payables and accrued liabilities	**(144,665)**	1,156,444
	(1,273,526)	152,464

21. COMMITMENTS, OPTION AGREEMENTS AND CONTINGENCIES

Commitments

As at December 31, 2024, the Company had the following contractual commitments and obligations:

	Total	**Less than 1 Year**	**Years 2 – 5**	**After 5 Years**
	$	**$**	**$**	**$**
Other lease commitments (a)	145,400	145,400	–	–
Service contracts (b)	313,827	313,827	–	–
	459,227	**459,227**	**–**	**–**

(a) Other lease commitments represent contractual lease payments payable over future periods.

(b) Service contracts represent commitments in respect of drilling.

Option Agreements

The Company has the option to terminate its option agreements at any time. Future expenditures are therefore dependent on the success of exploration and development programs and a decision by management to continue or exercise its option(s) for the relevant project and agreement.

(All amounts expressed in U.S. Dollars, unless otherwise indicated)

As at December 31, 2024, the expected timing of payments, in respect of the Company's option agreements under the assumption that the Company continues to exercise its option(s) for the relevant project and agreement are as follows:

	Total	**Less than 1 Year**	**Years 2 – 5**	**After 5 Years**
	$	**$**	**$**	**$**
First Guayabales Option (a), (b)	9,833,334	333,332	1,333,328	8,166,674
Second Guayabales Option	5,550,000	250,000	1,000,000	4,300,000
San Antonio Option (c)	4,420,000	420,000	4,000,000	–
Other Option agreements (d)	3,058,992	985,178	2,073,814	–
	22,862,326	**1,988,510**	**8,407,142**	**12,466,674**

(a) Includes a one-time payment of $8,000,000 in lieu of the NSR.

(b) Amounts disclosed relate only to option payments of the agreement. In addition, as at December 31, 2024, the Company has recognized a total of $28,857,630 as exploration and evaluation expenditures in respect of the minimum expenditures required under the First Guayabales Option.

(c) Includes a one-time payment of $2,500,00 in lieu of the NSR.

(d) Amounts disclosed related to the option agreements to purchase surface rights (see Note 8).

Environmental Contingencies

The Company's exploration activities are subject to Colombian laws and regulations governing the protection of the environment. These laws are subject to change and may generally become more restrictive. The Company may be required to make future expenditures to comply with such laws and regulations, the amounts for which are not determinable and have not been recognized in the consolidated financial statements.

22. SUBSEQUENTS EVENTS

On March 20, 2025, the Company announced the closing of Agnico Eagle Mines Limited's ("Agnico Eagle") investment in the Company pursuant to which Agnico Eagle subscribed for 4,741,984 common shares in the capital of the Company (the "Shares") at a price of C$11.00 per Share for aggregate consideration of approximately C$52,161,824 (the "March 2025 Private Placement"). Concurrently with the closing of the March 2025 Private Placement, Agnico Eagle exercised all of the common share purchase warrants of the Company (each, a "Warrant") it held to acquire an additional 2,250,000 Shares at a price of C$5.01 per Share for aggregate consideration of C$11,272,500. On closing of the March 2025 Private Placement and following exercise of the Warrants, Agnico Eagle's ownership interest in the Shares increased to approximately 14.99%.