
LABRADOR GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Labrador Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Labrador Gold Corp.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at December 31, 2024	As at September 30, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 7,765,746	\$ 6,057,040
Amounts receivable	54,865	117,603
Prepaid expenses and deposits	49,353	48,242
Marketable securities (note 4)	11,689,077	18,157,892
Total current assets	19,559,041	24,380,777
Non-current assets		
Unproven mineral right interests (note 5)	7,106,910	7,064,968
Total assets	\$ 26,665,951	\$ 31,445,745
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 110,245	\$ 140,153
Total liabilities	110,245	140,153
Shareholders' equity		
Share capital (note 6)	61,472,277	61,472,277
Share-based payments reserve (note 6)	4,717,709	4,705,377
Deficit	(39,634,280)	(34,872,062)
Total shareholders' equity	26,555,706	31,305,592
Total liabilities and shareholders' equity	\$ 26,665,951	\$ 31,445,745

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Nature of operations and going concern (note 1)

Subsequent event (note 8)

Labrador Gold Corp.**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Operating expenses		
Consulting and management fees (note 7)	\$ 57,000	\$ 45,000
Corporate development	18,000	54,640
Exploration and evaluation expenditures	7,647	-
Office and miscellaneous	13,328	15,175
Professional fees (note 7)	26,916	22,806
Regulatory and transfer fees	13,865	11,849
Share-based compensation (note 6)	12,332	31,762
Shareholder communications	5,208	6,042
Amortization expense	-	2,707
Loss before other items	(154,296)	(189,981)
Other items		
Other income	52,968	97,691
Unrealized loss on marketable securities (note 4)	(3,641,315)	-
Realized loss on sale of marketable securities (note 4)	(1,019,575)	-
Net loss and comprehensive loss for the period	\$ (4,762,218)	\$ (92,290)
Basic and diluted net loss per share	\$ (0.03)	\$ (0.00)
Weighted average number of common shares outstanding	170,009,979	170,009,979

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Labrador Gold Corp.**Condensed Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Operating activities		
Net loss for the period	\$ (4,762,218)	\$ (92,290)
Adjustments for:		
Share-based compensation	12,332	31,762
Amortization expense	-	2,707
Unrealized loss on marketable securities	3,641,315	-
Realized loss on sale of marketable securities	1,019,575	-
Changes in non-cash working capital items:		
Amounts receivable	62,738	95,331
Prepaid expenses	(1,111)	(8,231)
Accounts payable and accrued liabilities	(14,239)	26,508
Net cash used in operating activities	(41,608)	55,787
Investing activities		
Unproven mineral right interest - exploration	(57,611)	(2,532,393)
Proceeds from sale of marketable securities	1,807,925	-
Net cash provided by (used in) investing activities	1,750,314	(2,532,393)
Net change in cash and cash equivalents	1,708,706	(2,476,606)
Cash and cash equivalents, beginning of period	6,057,040	10,081,678
Cash and cash equivalents, end of period	\$ 7,765,746	\$ 7,605,072

Supplemental Information

Unproven mineral right interest - exploration included in accounts payable and accrued liabilities	\$ 498	\$ 487,778
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Labrador Gold Corp.**Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital Number	Share Capital Amount	Share-based payments reserve	Deficit	Total
Balance, September 30, 2023	170,009,979	\$ 61,472,277	\$ 4,597,023	\$ (17,431,883)	\$ 48,637,417
Share-based compensation	-	-	31,762	-	31,762
Net loss for the period	-	-	-	(92,290)	(92,290)
Balance, December 31, 2023	170,009,979	\$ 61,472,277	\$ 4,628,785	\$ (17,524,173)	\$ 48,576,889
Balance, September 30, 2024	170,009,979	\$ 61,472,277	\$ 4,705,377	\$ (34,872,062)	\$ 31,305,592
Share-based compensation	-	-	12,332	-	12,332
Net loss for the period	-	-	-	(4,762,218)	(4,762,218)
Balance, December 31, 2024	170,009,979	\$ 61,472,277	\$ 4,717,709	\$ (39,634,280)	\$ 26,555,706

The accompanying notes are an integral part of these unaudited condensed interim financial statements

Labrador Gold Corp.

Notes to Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of business and going concern

Labrador Gold Corp. ("Labrador Gold" or the "Company") is a company involved in the acquisition and exploration of prospective gold projects in the Americas. It was incorporated under the Business Corporations Act (British Columbia) in 1987. Effective July 1, 2021, the Company filed Articles of Continuance to continue into Ontario and is now subject to the provisions of the Business Corporations Act (Ontario). The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "LAB" and the OTCQX Exchange in the United States under the symbol "NKOSF". Its principal office is located at 82 Richmond Street East, Toronto, ON, Canada M5C 1P1.

The Company is focused on conducting mineral exploration in Eastern Canada. At the date of these financial statements, the Company has not yet determined whether any of its mineral interests contain economic mineral reserves. Accordingly, the carrying amount of its mineral right interests represents the cumulative acquisition costs and exploration expenditures incurred to date, which does not necessarily reflect present or future values. The recovery of these costs is dependent on the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to undertake continuing exploration and development, and to resolve any environmental, regulatory or other constraints.

These financial statements have been prepared on a going concern basis, which assume that the Company will be able to continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company is a mineral exploration company with a history of recurring losses and without a source of revenue. At December 31, 2024, the Company had no source of operating cash flow. Operations in recent years have been funded from the issuance of share capital and cash on hand.

Given its current stage of operations, the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. In the event the Company is unable to raise adequate financing or meet its current obligations, the carrying value of the Company's unproven mineral right interests could be subject to adjustments. At December 31, 2024, the Company believes it has sufficient funds to finance its operations for the current fiscal year.

2. Basis of Preparation

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim financial statements do not include all the information required for a complete set of IFRS statements. However, selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended September 30, 2024.

These unaudited condensed interim financial statements were authorized for issue by the board of directors of the Company on February 20, 2025.

Labrador Gold Corp.

Notes to Condensed Interim Financial Statements For the Three Months Ended December 31, 2024 (Expressed in Canadian Dollars) (Unaudited)

3. Material accounting policies

These unaudited condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements. Accordingly, the interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

4. Marketable securities

	December 31, 2024	September 30, 2024
Balance, beginning of period	\$ 18,157,892	\$ -
Additions (i)	-	19,842,102
Disposals	(1,807,925)	-
Unrealized loss	(3,641,315)	(1,684,210)
Realized loss	(1,019,575)	-
Balance, end of period	\$ 11,689,077	\$ 18,157,892

During the three months ended December 31, 2024, the Company recorded an unrealized loss on marketable securities of \$3,641,315 (2023 - \$nil).

- (i) During the year ended September 30, 2024, the Company received of 5,263,157 common shares of New Found Gold Corp. valued at \$19,842,102 from the sale of the Kingsway Project (see note 5).

5. Unproven mineral right interests

	Hopedale Property	Borden Lake Property	Kingsway Property	Scotch Property	Other	Total
Balance, September 30, 2023	\$ 5,058,359	\$ 809,135	\$ 33,281,238	\$ 644,357	\$ -	\$ 39,793,089
Acquisition	5,330	-	-	4,170	26,195	35,695
Deferred exploration	792,117	-	2,505,223	15,173	-	3,312,513
Recoveries	(225,000)	-	-	(15,245)	-	(240,245)
Impairment	-	-	-	(44,293)	(5,330)	(49,623)
Write-off upon sale	-	-	(35,786,461)	-	-	(35,786,461)
Balance, September 30, 2024	5,630,806	809,135	-	604,162	20,865	7,064,968
Deferred exploration	19,376	-	-	-	22,566	41,942
Balance, December 31, 2024	\$ 5,650,182	\$ 809,135	\$ -	\$ 604,162	\$ 43,431	\$ 7,106,910

Ownership in mineral right interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the ambiguous conveyance history of many mineral right interests. The Company has investigated ownership of its mineral right interests and, to the best of its knowledge, ownership of its interests are in good standing.

Labrador Gold Corp.

Notes to Condensed Interim Financial Statements
For the Three Months Ended December 31, 2024
(Expressed in Canadian Dollars)
(Unaudited)

5. Unproven mineral right interests (continued)

Hopedale Property

On December 7, 2020, the Company entered into an option agreement, that granted the Company the option to earn a 100% interest in the Hopedale property, located in Labrador.

During the year ended September 30, 2023, the Company exercised the option and earned a 100% interest in the Hopedale property.

The Company has made cash payments totalling \$975,000 and issued a total of 2,875,000 common shares.

The vendors of the Hopedale property retain a 2% net smelter return ("NSR") royalty, half of which may be bought back by the Company at any time for \$2 million plus \$1 per ounce of gold in measured and indicated resources. An advance royalty of \$25,000 per annum for each property became payable in calendar 2024.

Borden Lake Property

The Company has a 100% undivided interest in the Borden Lake Property located near Chapleau, Ontario, subject to a 2% NSR royalty, half of which may be bought back by the Company for \$1 million at any time.

During the year ended September 30, 2023, the Company allowed to lapse certain claims making up this property. In connection with the lapse of those claims, the Company wrote off \$16,000, being the historical capitalized maintenance fees associated with the claims that were allowed to lapse.

Kingsway Property

On March 3, 2020, the Company acquired an option to earn a 100% interest in the Gander North and Gander South properties, subsequently renamed as the Kingsway Property, located in Newfoundland.

During the year ended September 30, 2022, the Company exercised the option and earned a 100% interest in the properties by completing the following:

- Making cash payments totalling \$1,250,000 and issuing a total of 2,000,000 common shares (completed);
- Incurring \$750,000 in expenditures on each of two licenses (\$1.5 million total) over the first four years of the option (completed);
- The Company also made additional payments totaling \$1.5 million based on exploration expenditures incurred, as follows:
 - \$750,000 upon incurring an aggregate of \$10 million in expenditures on one of the licenses (completed); and
 - \$750,000 upon incurring an aggregate of \$20 million in expenditures on one of the licenses (completed).

The vendor of the Kingsway Property retained a 1% NSR royalty plus \$1 per ounce of gold in the measured and indicated resources for the property.

Labrador Gold Corp.

Notes to Condensed Interim Financial Statements
For the Three Months Ended December 31, 2024
(Expressed in Canadian Dollars)
(Unaudited)

5. Unproven mineral right interests (continued)

Kingsway Property (continued)

On July 6, 2020, the Company entered into an additional option agreement to acquire a 100% interest in License 023940M (the "License") which is strategically positioned between the Gander North and South claim blocks.

During the year ended September 30, 2022, the Company completed the option and earned a 100% undivided interest in the License by making cash payments totaling \$459,000, issuing a total of 390,000 common shares, and incurring a total of \$2 million in property work expenditures.

On April 21, 2024, the Company entered into a property purchase agreement with New Found Gold Corp. ("NFG"), whereby NFG agreed to acquire a 100% interest in the Kingsway Project, including all property and mining rights associated with the property (the "Transaction"), in exchange for \$20,000,000 (the "Purchase Price") payable and satisfied by the delivery to the Company of such number of NFG common shares determined by dividing the Purchase Price by the closing price of the NFG common shares on the TSX-V on the last trading day prior to the closing of the Transaction. On July 9, 2024, the Company completed the Transaction in consideration for the receipt of 5,263,157 common shares of NFG valued at \$19,842,102 (see note 4). As a result, the Company recorded a loss on sale of unproven mineral right interests and equipment of \$15,953,159 (inclusive of \$8,800 related to equipment).

Scotch Property

In March 2021, the Company acquired a 100% undivided interest in the Scotch Property. The Scotch Property is located southwest of Moncton, New Brunswick and consists of 16 claims.

During the year ended September 30, 2024, the Company allowed to lapse certain claims making up this property. In connection with the lapse of those claims, the Company wrote off \$44,293, being the historical capitalized maintenance fees associated with the claims that were allowed to lapse.

6. Equity

(a) Authorized

An unlimited number of common shares without par value

(b) Issued and outstanding

	Number of common shares	Amount
Balance, September 30, 2023, September 30, 2024 and December 31, 2024	170,009,979	\$ 61,472,277

(c) Share-based payment reserve

Share-based payments reserve consists of the accumulated fair value of common share options, share purchase warrants and broker units recognized as share-based payments, net of the fair values of common share options, share purchase warrants and broker units transferred to share capital upon exercise.

Labrador Gold Corp.

Notes to Condensed Interim Financial Statements
For the Three Months Ended December 31, 2024
(Expressed in Canadian Dollars)
(Unaudited)

6. Equity (continued)**(d) Share purchase options**

The following table reflects the continuity of stock options for the periods ended December 31, 2024 and 2023:

	Number of stock options	Weighted average exercise price
Balance, September 30, 2023	7,650,000	\$ 0.33
Cancelled	(325,000)	0.23
Balance, December 31, 2023	7,325,000	0.33
Cancelled	(575,000)	0.23
Expired	(1,400,000)	0.25
Balance, September 30, 2024 and December 31, 2024	5,350,000	\$ 0.36

During the three months ended December 31, 2024, \$12,332 (2023 - \$31,762) was expensed to share-based compensation.

The following table reflects the share purchase options issued and outstanding as of December 31, 2024:

Expiry Date	Exercise price (\$)	Remaining contractual life (years)	Number of options outstanding	Vested and exercisable
July 27, 2025	0.45	0.57	3,150,000	3,150,000
April 3, 2028	0.23	3.26	2,200,000	1,760,000
	0.36	1.68	5,350,000	4,910,000

(e) Share purchase warrants

As at December 31, 2024, there were no share purchase warrants issued and outstanding.

Labrador Gold Corp.

Notes to Condensed Interim Financial Statements
For the Three Months Ended December 31, 2024
(Expressed in Canadian Dollars)
(Unaudited)

7. Related party transactions

Key management personnel include the members of the Board of Directors, the Chief Executive Officer ("CEO"), and the Chief Financial Officer ("CFO") of the Company. Compensation of key management personnel was as follows for the periods ended December 31, 2024 and 2023.

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
Management fees (i)	\$ 43,500	\$ 31,500
Geological consulting fees (i)	-	13,500
Directors' fees (ii)	13,500	13,500
Professional fees (iii)	13,458	10,574
Share-based payments	7,488	32,001
	\$ 77,946	\$ 101,075

- (i) During the three months ended December 31, 2024, the Company incurred management fees of \$43,500 (2023 - \$31,500) and geological consulting fees of \$nil (2023 - \$13,500) for services provided by a company controlled by the Company's CEO. As at December 31, 2024, \$nil (September 30, 2024 - \$16,265) was due to the CEO, and is included in accounts payable and accrued liabilities with respect to the fees and other expense reimbursements. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

Management fees were paid pursuant to a consulting agreement under which Moss Exploration Services Ltd. would receive a monthly fee of \$16,500 effective October 1, 2024. The Company can terminate the agreement with three months' notice, or payment of the fees during the termination period in lieu of notice.

- (ii) During three months ended December 31, 2024, the Company incurred directors' fees of \$13,500 (2023 - \$13,500) to its independent directors.
- (iii) For the three months ended December 31, 2024, the Company incurred \$13,458 in professional fees (2023 - \$10,574) to Marrelli Support Services Inc. ("Marrelli") for an employee of Marrelli to act as the CFO of the Company. As at December 31, 2024, \$2,601 (September 30, 2024 - \$2,601) was due to Marrelli, and is included in accounts payable and accrued liabilities with respect to the fees. These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

8. Subsequent event

On January 15, 2025, the Company granted officers, directors and consultants an aggregate of 3,050,000 stock options exercisable until January 15, 2030 at \$0.10 per share. The options vest 25% on grant, 25% on July 15, 2025, 25% on January 15, 2026, and 25% on July 15, 2026.