



**Condensed Consolidated Interim Financial Statements**  
**For the Three and Nine Months Ended December 31, 2024 and 2023**

*(Unaudited - Expressed in Canadian Dollars)*

**Notice of No Auditor Review of  
Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed consolidated interim financial statements of Kirkland Lake Discoveries Corp. for the three and nine months ended December 31, 2024 and 2023 have been prepared by and are the responsibility of the Company's management ("Management") and have been approved by the Company's audit committee.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

**Kirkland Lake Discoveries Corp.**  
**Condensed Consolidated Interim Statements of Financial Position**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	December 31, 2024 \$	March 31, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,700,643	3,246,345
Receivables		199,754	133,638
Prepaid expenses and deposits		13,346	34,808
<b>Total current assets</b>		<b>1,913,743</b>	<b>3,414,791</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	3	10,073,058	10,035,964
Property and equipment		27,140	31,528
<b>Total non-current assets</b>		<b>10,100,198</b>	<b>10,067,492</b>
<b>Total Assets</b>		<b>12,013,941</b>	<b>13,482,283</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4,6	328,799	251,122
Flow-through share premium liability	4	251,057	166,117
<b>Total current liabilities</b>		<b>579,856</b>	<b>417,239</b>
<b>Total liabilities</b>		<b>579,856</b>	<b>417,239</b>
<b>EQUITY</b>			
Share capital	5	59,973,299	58,995,971
Reserves	5	7,258,893	7,098,997
Deficit		(55,798,107)	(53,029,924)
<b>Total equity</b>		<b>11,434,085</b>	<b>13,065,044</b>
<b>Total Liabilities and Equity</b>		<b>12,013,941</b>	<b>13,482,283</b>

**NATURE OF OPERATIONS AND GOING CONCERN (Note 1)**  
**COMMITMENTS (Notes 3 and 4)**

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on February 12, 2025. They are signed on the Company's behalf by:

"Denis Laviolette" , Director

"Gary Nassif" , Director

**Kirkland Lake Discoveries Corp.**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended December 31,		Nine months ended December 31,	
		2024 \$	2023 \$	2024 \$	2023 \$
<b>Expenses</b>					
Depreciation		1,468	382	4,388	590
Exploration and evaluation expenditures	3	574,257	246,090	2,030,356	1,437,057
Investor relations and corporate development	6	19,536	39,247	53,492	172,988
Office and sundry		28,553	43,310	81,639	117,635
Professional fees		-	24,606	76,097	91,779
Salaries and consulting	6	79,000	127,344	568,646	403,498
Share-based compensation	5,6	128,525	530,129	128,525	530,129
Transfer agent and filing fees		2,618	4,532	9,054	18,449
Travel		4,092	11,355	9,822	42,040
<b>Loss before other income (expenses)</b>		<b>(838,049)</b>	<b>(1,026,995)</b>	<b>(2,962,019)</b>	<b>(2,814,165)</b>
<b>Other income (expenses)</b>					
Settlement of flow-through share premium	4	36,127	13,120	166,117	278,746
Other income	10	60,000	77	61,000	77
Expense recoveries	6	-	-	-	28,416
Recovery of sales taxes		-	-	-	8,171
Foreign exchange gain (loss)		72	(30)	(881)	47
Part XII.6 tax	4	(5,268)	(5,669)	(32,400)	(5,669)
Interest expense		-	(8,390)	-	(8,626)
<b>Total other income (expenses)</b>		<b>91,931</b>	<b>(892)</b>	<b>193,836</b>	<b>301,162</b>
<b>Loss and comprehensive loss for the period</b>		<b>(746,118)</b>	<b>(1,027,887)</b>	<b>(2,768,183)</b>	<b>(2,513,003)</b>
<b>Loss per share – basic and diluted (\$)</b>		<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.03)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>90,520,422</b>	<b>88,624,522</b>	<b>89,258,787</b>	<b>76,854,562</b>

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

**Kirkland Lake Discoveries Corp.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
*(Unaudited - Expressed in Canadian Dollars)*

	Nine months ended December 31,	
	2024	2023
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the period	(2,768,183)	(2,513,003)
Adjustments for:		
Depreciation	4,388	590
Expense recoveries	-	(28,416)
Recovery of sales taxes	-	8,171
Share-based compensation	128,525	530,129
Settlement of flow-through share premium	(166,117)	(278,746)
	<u>(2,801,387)</u>	<u>(2,281,275)</u>
Change in non-cash working capital items:		
(Increase) in receivables	(66,116)	(60,800)
Decrease (increase) in prepaid expenses and deposits	21,462	(177,342)
Increase (decrease) in accounts payable and accrued liabilities	1,821	(131,220)
Net cash used in operating activities	<u>(2,844,220)</u>	<u>(2,650,637)</u>
<b>Cash flows from investing activities</b>		
Purchases of exploration and evaluation assets	(37,094)	(84,702)
Purchases of property and equipment	-	(33,570)
Net cash used in investing activities	<u>(37,094)</u>	<u>(118,272)</u>
<b>Cash flows from financing activities</b>		
Shares issued in private placement	1,341,200	7,848,007
Share issue costs	(5,588)	(806,010)
Lease payments	-	(1,084)
Net cash generated from financing activities	<u>1,335,612</u>	<u>7,040,913</u>
<b>Net (decrease) increase in cash</b>	<u>(1,545,702)</u>	<u>4,272,004</u>
<b>Cash at beginning of period</b>	<u>3,246,345</u>	<u>70,634</u>
<b>Cash at end of period</b>	<u>1,700,643</u>	<u>4,342,638</u>

**SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 7)**

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

**Kirkland Lake Discoveries Corp.**  
**Consolidated Statements of Changes in Equity**  
(Expressed in Canadian Dollars)

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Total equity \$
<b>Balance at March 31, 2023</b>	<b>29,774,787</b>	<b>49,169,352</b>	<b>4,984,690</b>	<b>(49,234,349)</b>	<b>4,919,693</b>
Shares issued pursuant to acquisition of exploration and evaluation assets	28,612,500	4,657,482	-	-	4,657,482
Private placement	30,237,299	6,487,329	1,360,678	-	7,848,007
Share consolidation	(64)	-	-	-	-
Share issue costs	-	(806,010)	-	-	(806,010)
Share issue costs – brokers' warrants	-	(223,500)	223,500	-	-
Flow-through share premium	-	(288,682)	-	-	(288,682)
Share-based compensation	-	-	530,129	-	530,129
Total comprehensive loss for the period	-	-	-	(2,513,003)	(2,513,003)
<b>Balance at December 31, 2023</b>	<b>88,624,522</b>	<b>58,995,971</b>	<b>7,098,997</b>	<b>(51,747,352)</b>	<b>14,347,616</b>
Total comprehensive loss for the period	-	-	-	(1,282,572)	(1,282,572)
<b>Balance at March 31, 2024</b>	<b>88,624,522</b>	<b>58,995,971</b>	<b>7,098,997</b>	<b>(53,029,924)</b>	<b>13,065,044</b>
Private placement	21,802,852	1,341,200	-	-	1,341,200
Share issue costs	-	(81,443)	-	-	(81,443)
Share issue costs – brokers' warrants	-	(31,371)	31,371	-	-
Flow-through share premium	-	(251,057)	-	-	(251,057)
Share-based compensation	-	-	128,525	-	128,525
Total comprehensive loss for the period	-	-	-	(2,768,183)	(2,768,183)
<b>Balance at December 31, 2024</b>	<b>110,427,374</b>	<b>59,973,299</b>	<b>7,258,893</b>	<b>(55,798,107)</b>	<b>11,434,085</b>

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

## **Kirkland Lake Discoveries Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2024 and 2023

Expressed in Canadian Dollars

### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Kirkland Lake Discoveries Corp. (the “Company” or “Kirkland Lake”) was incorporated under the laws of British Columbia on March 6, 1984. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “KLDC”, as a Tier 2 mining issuer. The address of the Company’s corporate office and principal place of business is 1055 West Georgia St., Suite 2125, Vancouver, British Columbia, Canada, V6E 3P2.

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties. The Company’s exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at December 31, 2024, the Company had an accumulated deficit of \$55,798,107 and shareholders’ equity of \$11,434,085. In addition, the Company has working capital of \$1,333,887, consisting primarily of cash, and negative cash flow from operating activities of \$2,844,220. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on February 12, 2025.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

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

#### **a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as applicable to interim financial reports including International Accounting Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

## **Kirkland Lake Discoveries Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2024 and 2023

Expressed in Canadian Dollars

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

#### **a) Statement of compliance (continued)**

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2024, which have been prepared in accordance with IFRS, as issued by the IASB.

The policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent annual consolidated financial statements and were consistently applied to all the periods presented.

#### **b) Basis of presentation**

These condensed consolidated interim financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis except for financial instruments classified as subsequently measured at fair value. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiary is the Canadian dollar.

Certain comparative figures have been reclassified to conform to the current period presentation.

#### **c) Principles of consolidation**

These condensed consolidated interim financial statements include the accounts of Kirkland Lake Discoveries Corp. and its wholly owned subsidiary, RD Minerals S.A. de C.V.. All significant intercompany transactions have been eliminated.

#### **d) Significant Accounting Estimates and Judgments**

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

In preparing these condensed consolidated interim financial statements, the Company applied the critical judgments and estimates disclosed in Note 2 of its audited consolidated financial statements for the year ended March 31, 2024.

#### **e) Initial application of standards, interpretations and amendments to standards and interpretations in the reporting period**

The IASB issued certain new accounting standards or amendments that are mandatory for accounting periods on or after April 1, 2024, including amendments to IAS 1 "Classification of Liabilities as Current or Non-Current", amendments to IFRS 16 "Leases", and amendments to IAS 7 "Statement of Cash Flow" and IFRS 7 "Financial Instruments Disclosures". The effect of such new accounting standards or amendments did not have a material impact on the Company and therefore the Company did not record any adjustments to the consolidated financial statements.



## Kirkland Lake Discoveries Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2024 and 2023

Expressed in Canadian Dollars

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### f) New and amended IFRS standards not yet effective

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's financial statements, except for IFRS 18 "Presentation and Disclosure in Financial Statements". IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements and has an effective date of January 1, 2027. The effects of the adoption of IFRS 18 on the Company's consolidated financial statements have not yet been determined.

### 3. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition costs and exploration expenditures incurred to date for each exploration and evaluation asset that the Company is continuing to explore as at December 31, 2024 and March 31, 2024:

	KL West Side	KL East Side	Total
	\$	\$	\$
<b>Nine months ended December 31, 2024</b>			
<b>Exploration and evaluation assets</b>			
Balance as at March 31, 2024 and December 31, 2024	5,230,020	4,805,944	10,035,964
Additions			
Acquisition costs	37,094	-	37,094
	5,267,114	4,805,944	10,073,058
<b>Exploration and evaluation expenditures</b>			
Cumulative exploration expense - March 31, 2024	5,098,947	1,534,817	6,633,764
Assays	336,831	60,619	397,450
Camp costs	40,727	9,442	50,169
Claims management	15,630	18,305	33,935
Community consultations	12,706	-	12,706
Drilling	180,557	11,819	192,376
Equipment rental	80,059	7,040	87,099
Geology	888,236	151,475	1,039,711
Geophysical survey	47,116	47,116	94,232
Geotechnical	14,290	36,612	50,902
Mapping	-	8,150	8,150
Other	5,162	1,564	6,726
Permits	3,647	-	3,647
Transportation	30,730	9,159	39,889
Travel and accommodations	8,422	4,942	13,364
	1,664,113	366,243	2,030,356
Cumulative exploration expense - December 31, 2024	6,763,060	1,901,060	8,664,120

## Kirkland Lake Discoveries Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2024 and 2023

Expressed in Canadian Dollars

### 3. EXPLORATION AND EVALUATION ASSETS (continued)

	KL West Side	KL East Side	Total
Nine months ended December 31, 2023	\$	\$	\$
<b>Exploration and evaluation assets</b>			
Balance as at March 31, 2023	5,220,020	103,760	5,323,780
Additions			
Acquisition costs	-	4,692,184	4,692,184
Option payments	10,000	10,000	20,000
Balance as at December 31, 2023	5,230,020	4,805,944	10,035,964
<b>Exploration and evaluation expenditures</b>			
Cumulative exploration expense -			
March 31, 2023	3,821,289	579,138	4,400,427
Assays	128,268	37,112	165,380
Camp costs	27,678	4,668	32,346
Claims management	16,599	9,826	26,425
Drilling	393,285	-	393,285
Equipment rental	7,427	7,401	14,828
Geology	39,900	146,250	186,150
Geophysical survey	55,309	253,208	308,517
Geotechnical	41,575	21,646	63,221
Mapping	15,600	111,138	126,738
Other	19,838	13,741	33,579
Permits	1,266	375	1,641
Transportation	15,215	2,677	17,892
Travel and accommodations	15,582	51,473	67,055
	777,542	659,515	1,437,057
Cumulative exploration expense –			
December 31, 2023	4,598,831	1,238,653	5,837,484

#### (a) KL West Side

KL West Side is comprised of the Goodfish-Kirana Project (“Goodfish”) and the KL West Land Package.

##### *Goodfish Property*

The Company owns a 100% interest in the Goodfish property that was acquired by making payments in cash, common shares of the Company and/or in exchange for a net smelter return (“NSR”) between 2018 and 2022. The property comprises 237 cell claims and 29 patented mining claims. The Company wholly owns the property subject to various NSR arrangements.

##### *The KL West Land Package*

In August 2021, the Company entered into an option agreement with an arm’s length party to acquire a 100% interest in the KL West (“KLW”) and KL Central (“KLC”) land packages. The KLW land package comprises 107 mining claims and the KLC land package comprises eight mining claims, for an aggregate of 115 claims. Under the terms of the option agreement, the Company paid \$10,000 in cash and issued 250,000 common shares, and agreed to pay \$15,000 in cash on the first anniversary (paid), \$20,000 on the second anniversary (paid), and \$25,000 on the third anniversary (paid).

## **Kirkland Lake Discoveries Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended December 31, 2024 and 2023  
Expressed in Canadian Dollars

### **3. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **(a) KL West Side (continued)**

##### *The KL West Land Package (continued)*

The option agreement is also subject to the issuance of 1,000,000 common shares upon the delivery of a Pre-Feasibility Study as defined in accordance with a National Instrument 43-101 technical report prepared by the Company and a 1.5% NSR. The Company has the right to purchase two-thirds of the NSR (or 1%) for \$1,000,000.

Acquisition costs incurred in connection with the purchase of the KLW and KLC land packages were split evenly between the KL West Side and KL East Side properties (see Note 3(b)).

In March 2022, the Company staked 29 new claims in Melba township. These claims are contiguous to the northern part of the KLW land package and are immediately west of the Barnet Creek Fault Zone, a prominent north-south-trending fault that is considered to be the structural control on nearby gold occurrences.

The KLW land package is contiguous to and west of the Company's Goodfish Project and the KLC land package is contiguous to the Company's Arnold Property (see Note 3(b)).

In February 2023, the Company acquired three separate blocks of claims that are contiguous to the KLW and the KLC ground. The properties acquired include the Winnie Lake claims, Teck-Bernhardt and the Kennedy Lake Property. The Winnie Lake claims were transferred in exchange for payment of the staking and extension costs of \$2,520. The Company agreed to pay \$50,000 in total for the other claims, \$5,000 upon signing (paid), \$15,000 due in April 2023 (paid) and \$30,000 by December 31, 2023 (paid). Acquisition costs incurred were split evenly between the KL West Side and KL East Side properties (see Note 3(b)).

#### **(b) KL East Side**

KL East Side is comprised of the KL Central Land Package, Arnold and Lucky Strike properties.

##### *KL Central Land Package*

The KL Central Land Package was acquired along with the KL West Package of claims (see Note 3(a)).

On November 14, 2022, the Company acquired via staking an additional 66 cell claims contiguous to the KLC land package.

##### *The Arnold Property*

The Company owns a 100% interest in the Arnold property that was acquired by making payments in common shares of the Company. The property comprises 28 claims. The Company wholly owns the property subject to various NSR arrangements.

## **Kirkland Lake Discoveries Corp.**

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended December 31, 2024 and 2023  
Expressed in Canadian Dollars

### **3. EXPLORATION AND EVALUATION ASSETS (continued)**

#### **(b) KL East Side (continued)**

##### *Lucky Strike Property*

On May 25, 2023, the Company acquired from New Found Gold Corp. (“NFG”) all of the properties comprising the Lucky Strike Project located immediately to the east of the Company’s Goodfish-Kirana Project, in Kirkland Lake, Ontario, and consisting of 645 unpatented mining claims. The Company acquired the Lucky Strike Project by issuing to NFG 28,612,500 common shares with an estimated fair value of \$4,657,482 (see Note 5), and granting to NFG a 1.0% net smelter return royalty on the Lucky Strike Project pursuant to a royalty agreement. In addition, under the terms of the purchase agreement, NFG agreed to use commercially reasonable efforts to distribute all the common shares of the Company that it holds to its shareholders, pro rata, within one year following the completion of the acquisition. The Company incurred \$34,702 in legal and regulatory fees in connection with the acquisition.

As part of the agreement, NFG received a right to nominate three directors to the Company’s Board of Directors. Denis Laviolette, who was also a Director and President of NFG, was appointed to the board of Kirkland Lake at the time of closing. The other two directors were nominated by NFG and appointed to the Company’s board subsequent to completion of the transaction.

Concurrent with the acquisition, on May 25, 2023, the Company completed a brokered private placement offering of 18,690,000 non-flow-through units at a price of \$0.25 per unit, and 11,547,299 flow-through units at a price of \$0.275 per unit, for aggregate gross proceeds of \$7,848,007 (see Note 5).

In September 2022, the Company staked a “bridge” of claims connecting the KL West Side and KL East Side properties so that assessment credits accumulated anywhere on the Company’s project areas can be transferred easily avoiding administrative hurdles. The “bridge” is comprised of 49 cell claims.

As of December 31, 2024, the Company’s land position was 1,376 claims and 30 patented claims (March 31, 2024 - 1,343 claims and 29 patented claims).

## Kirkland Lake Discoveries Corp.

Notes to the Condensed Consolidated Interim Financial Statements  
For the three and nine months ended December 31, 2024 and 2023  
Expressed in Canadian Dollars

### 4. FLOW-THROUGH SHARE PREMIUM

	Issued September 2021 \$	Issued December 2021 \$	Issued July 2022 \$	Issued May 2023 \$	Issued December 2024 \$	Total \$
Balance at March 31, 2023	70,092	50,000	109,114	-	-	229,206
Liability recognized on flow-through shares issued	-	-	-	288,682	-	288,682
Settlement of flow-through share premium on expenditures incurred	(70,092)	(50,000)	(109,114)	(122,565)	-	(351,771)
Balance at March 31, 2024	-	-	-	166,117	-	166,117
Liability recognized on flow-through shares issued	-	-	-	-	251,057	251,057
Settlement of flow-through share premium on expenditures incurred	-	-	-	(166,117)	-	(166,117)
Balance at December 31, 2024	-	-	-	-	251,057	251,057

Flow-through share arrangements entitle the holder of the flow-through share to a 100% tax deduction in respect of qualifying Canadian exploration expenses as defined in the Income Tax Act, Canada ("Qualifying CEE").

During the nine months ended December 31, 2024, the Company incurred \$1,827,293 (nine months ended December 31, 2023 – \$1,407,080) in Qualifying CEE and amortized a total of \$166,117 (nine months ended December 31, 2023 – \$278,746) of its flow-through share premium liabilities.

The flow-through share premium liability does not represent a cash liability to the Company and is to be fully amortized to the statements of loss and comprehensive loss pro-rata with the amount of qualifying expenditures that will be incurred.

As at December 31, 2024, the Company must spend another \$878,670 of Qualifying CEE by December 31, 2025 to satisfy its remaining current flow-through liability of \$251,057.

The Company has until February of the following year after the renunciation is completed under the look-back rule to incur the flow-through funds otherwise the Company will be subject to the Part XII.6 tax. Included in accounts payable and accrued liabilities at December 31, 2024 is \$48,928 in accrued Part XII.6 tax (December 31, 2023 - \$5,669).

### 5. SHARE CAPITAL AND RESERVES

#### *Authorized Share Capital*

At December 31, 2024, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### *Share Consolidation*

Effective May 10, 2023, the Company completed a 4-for-1 share consolidation. All share, option, warrant and per share amounts have been retroactively restated to reflect the share consolidation.

## **Kirkland Lake Discoveries Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2024 and 2023

Expressed in Canadian Dollars

### **5. SHARE CAPITAL AND RESERVES (continued)**

#### *Details of Common Shares Issued During the Nine Months Ended December 31, 2024*

On December 23, 2024, the Company completed a non-brokered private placement offering of 12,552,852 flow-through units at a price of \$0.07 per unit, and 9,250,000 non-flow-through units at a price of \$0.05 per unit, for aggregate gross proceeds of \$1,341,200. Each flow-through unit is comprised of one flow-through common share and one half of a common share purchase warrant, with each whole share purchase warrant exercisable to acquire one additional common share at an exercise price of \$0.12 until December 23, 2027. Each non-flow-through unit is comprised of one non-flow-through common share and one common share purchase warrant exercisable to acquire one additional common share at an exercise price of \$0.08 until December 23, 2027. The fair value of the warrants issued as part of the units was determined to be \$Nil using the residual value method. The premium received on the flow-through units issued was determined to be \$251,057. The company incurred share issuance costs of \$81,443 of which \$60,634 was incurred for cash commissions and \$20,809 was incurred for professional and regulatory fees. The Company also issued 853,699 brokers' warrants, with a fair value of \$31,371, exercisable into common shares of the Company at a price of \$0.12 per common share until December 23, 2027, and 17,500 brokers' warrants exercisable into common shares of the Company at a price of \$0.08 per common share until December 23, 2027.

#### *Details of Common Shares Issued During the Year Ended March 31, 2024*

On May 25, 2023, the Company issued 28,612,500 common shares to New Found Gold Corp. to acquire all of the properties comprising the Lucky Strike project (Note 3 (b)). The total fair value of the shares issued of \$4,657,482 was estimated based on the weighted-average share price per review of the share prices immediately after completion of the transaction, and by applying a 20% discount considering that the shares issued as consideration are subject to a 12-month hold per the Lucky Strike acquisition agreement.

On May 25, 2023, the Company completed a brokered private placement offering of 18,690,000 non-flow-through units at a price of \$0.25 per unit, and 11,547,299 flow-through units at a price of \$0.275 per unit, for aggregate gross proceeds of \$7,848,007. Each unit is comprised of one flow-through or non-flow-through common share and one common share purchase warrant. Each warrant is exercisable into one common share for a period of two years at an exercise price of \$0.40 per common share. The fair value of the warrants issued as part of the units was determined to be \$1,360,678 using the residual value method. The premium received on the flow-through units issued was determined to be \$288,682. The Company paid cash commissions in the aggregate amount of \$467,880, professional fees and regulatory fees of \$338,130 and issued an aggregate of 1,802,238 brokers' warrants, exercisable into common shares of the Company at a price of \$0.25 per common share until May 25, 2025. The fair value of the brokers' warrants was determined to be \$223,500.

## Kirkland Lake Discoveries Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2024 and 2023

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### 5. SHARE CAPITAL AND RESERVES (continued)

#### *Stock options*

The continuity of share purchase options for the nine months ended December 31, 2024 and the year ended March 31, 2024 is as follows:

	Number of options	Weighted average exercise price \$
March 31, 2023	1,980,000	0.31
Issued	4,800,000	0.12
Expired	(830,000)	0.32
March 31, 2024	5,950,000	0.16
Issued	3,300,000	0.05
Expired	(900,000)	0.25
December 31, 2024	8,350,000	0.10

The Company's outstanding and exercisable stock options at December 31, 2024 are as follows:

Expiry Date	Outstanding and Exercisable Options	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price \$
September 23, 2026	587,500	1.73	0.26
March 28, 2027	62,500	2.24	0.30
October 31, 2028	4,400,000	3.84	0.12
November 6, 2029	3,300,000	4.85	0.05
	8,350,000	4.08	0.10

The Company used the Black-Scholes option-pricing model to determine the fair value of stock options issued using the following weighted average assumptions:

Nine months ended December 31	2024	2023
Risk-free interest rate	3.12%	4.12%
Expected option life in years	5.00	5.00
Expected share price volatility <sup>(i)</sup>	133.67%	152.36%
Grant date share price	\$0.045	\$0.12
Grant date fair value	\$0.04	\$0.11
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

<sup>(i)</sup> The expected share price volatility is based on the average historical share prices of the Company over the life of the stock option. The period in 2023 when the share trading was halted is excluded from the calculation.

**Kirkland Lake Discoveries Corp.**

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**5. SHARE CAPITAL AND RESERVES (continued)***Warrants*

The continuity of warrants for the nine months ended December 31, 2024 and the year ended March 31, 2024:

	Number of Financing Warrants	Weighted Average Exercise Price \$	Number of Brokers' Warrants	Weighted Average Exercise Price \$
March 31, 2023	1,069,464	0.40	99,000	0.20
Issued	30,237,299	0.40	1,802,238	0.25
Expired	(1,069,464)	0.40	(99,000)	0.20
March 31, 2024	30,237,299	0.40	1,802,238	0.25
Issued	15,526,426	0.10	871,199	0.12
December 31, 2024	45,763,725	0.40	2,673,437	0.25

The Company's outstanding and exercisable warrants at December 31, 2024 are as follows:

Expiry Date	Outstanding and Exercisable Warrants	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price \$
May 30, 2025	30,237,299	0.41	0.40
December 23, 2024	9,250,000	2.98	0.08
December 23, 2024	6,276,426	2.98	0.12
	45,763,725	1.28	0.30

The Company's outstanding and exercisable broker's warrants at December 31, 2024 are as follows:

Expiry Date	Outstanding and Exercisable Warrants	Weighted Average Remaining Life (Yrs.)	Weighted Average Exercise Price \$
May 25, 2025	1,802,238	0.41	0.25
December 23, 2024	17,500	2.98	0.08
December 23, 2024	853,699	2.98	0.12
	2,673,437	1.25	0.21

The Company used the Black-Scholes option-pricing model to determine the fair value of brokers' warrants issued using the following weighted average assumptions:

Nine months ended December 31	2024	2023
Risk-free interest rate	2.97%	4.22%
Expected warrant life in years	3.00	2.00
Expected share price volatility <sup>(1)</sup>	150%	125.9%
Exercise price	\$0.12	\$0.25
Grant date share price	\$0.05	\$0.21
Grant date fair value	\$0.04	\$0.12
Expected dividend yield	Nil	Nil

<sup>(1)</sup> The expected share price volatility is based on the average historical share prices of the Company over the life of the warrant. The period in 2023 when the share trading was halted is excluded from the calculation.

The fair value of brokers' warrants issued during the nine months ended December 31, 2024 was determined to be \$31,371 (2023 - \$223,500).



## Kirkland Lake Discoveries Corp.

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### 6. RELATED PARTY BALANCES AND TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and on terms and conditions that are similar to those of transactions with unrelated parties and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions with corporations having similar directors and officers is as follows:

	Three and nine months ended	
	2024	2023
	\$	\$
Amounts paid to the Northern Miner Group for investor relations and corporate development <sup>(i)</sup>	95	-

<sup>(i)</sup> The Northern Miner Group is a related entity having the following common director to the Company: Denis Laviolette, Director and President.

There are no ongoing contractual commitments resulting from these transactions with related parties.

As at December 31, 2024 and March 31, 2024, there were no amounts payable to related parties.

#### *Key management personnel compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Three months ended December 31, 2024	Salaries and consulting fees \$	Share-based compensation \$	Total \$
Chief Executive Officer	34,000	46,736	80,736
Chief Financial Officer	14,188	-	14,188
Non-executive directors	-	46,736	46,736
Total	48,188	93,472	141,660

Three months ended December 31, 2023	Salaries and Consulting fees \$	Share-based compensation \$	Total \$
President, Chief Executive Officer and Director	45,000	88,355	133,355
Chief Financial Officer	15,000	-	15,000
Non-executive directors	-	220,887	220,887
Total	60,000	309,242	369,242

## Kirkland Lake Discoveries Corp.

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### 5. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Nine months ended December 31, 2024	Salaries and consulting fees \$	Share-based compensation \$	Total \$
Former President, Chief Executive Officer and Director <sup>(i)</sup>	328,043	-	328,043
Chief Executive Officer	79,000	46,736	125,736
Chief Financial Officer	44,188	-	44,188
Non-executive directors	-	46,736	46,736
<b>Total</b>	<b>451,231</b>	<b>93,472</b>	<b>544,703</b>

<sup>(i)</sup> Upon the former Chief Executive Officer's resignation in May 2024, the Company paid \$300,000 in fees and \$5,543 in car expense reimbursements to the former Chief Executive Officer.

Nine months ended December 31, 2023	Salaries and Consulting fees \$	Share-based compensation \$	Total \$
President, Chief Executive Officer and Director	135,000	88,355	223,355
Chief Financial Officer	20,000	-	20,000
Former Chief Financial Officer	20,000	-	20,000
Non-executive directors	-	220,887	220,887
<b>Total</b>	<b>175,000</b>	<b>309,242</b>	<b>484,242</b>

As at December 31, 2024, there was \$4,520 payable to key management personnel in respect of key management compensation and expense reimbursements included in accounts payable and accrued liabilities (March 31, 2024 - \$886). The amounts are unsecured, non-interest bearing and without fixed terms of repayment.

Included in expense recoveries of \$28,416 for the nine months ended December 31, 2023 is \$26,103 related to a write-off of amounts payable to the former President, Chief Executive Officer and Director.

### 7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine months ended December 31	
	2024	2023
	\$	\$
Non-cash investing and financing activities:		
Fair value of brokers' warrants	31,371	223,500
Shares issued to acquire the Lucky Strike Project (Note 3(b))	-	4,657,482
Share issuance costs included in accounts payable and accrued liabilities	75,855	-
Cash paid for income taxes	-	-
Cash paid for interest	-	36

### 8. SEGMENTED INFORMATION

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's evaluation and exploration assets are located in Canada.

## Kirkland Lake Discoveries Corp.

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### 9. BASIC AND DILUTED LOSS PER COMMON SHARE

	Three months ended December 31,		Nine months ended December 31,	
	2024	2023	2024	2023
Basic weighted average number of common shares outstanding	90,520,422	88,624,522	89,258,787	76,854,562
Effect of outstanding securities	-	-	-	-
Diluted weighted average number of common shares outstanding	90,520,422	88,624,522	89,258,787	76,854,562

During the three and nine months ended December 31, 2024 and 2023, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of options, warrants and finders' warrants that would decrease loss per share.

### 10. OTHER INCOME

Included in other income for the nine months ended December 31, 2024 is \$60,000 (2023 - \$Nil) of grant funds received from the Ontario government under the Ontario Junior Exploration Program ('OJEP'). The Company was eligible for the grant funds by demonstrating equivalent amounts having been incurred on exploration expenditures.

### 11. FINANCIAL INSTRUMENTS

#### (a) Fair Values

The Company's financial instruments include cash and accounts payable and accrued liabilities. Fair value amounts disclosed in these condensed consolidated interim financial statements represent the Company's estimate of the price at which a financial instrument could be exchanged in a market in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. These estimates may change in subsequent reporting periods due to market conditions or other factors.

A fair value hierarchy is used to categorize the inputs used to measure fair value. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

Level 1 - includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market at the measurement date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company has no assets or liabilities in this category.

Level 2 - includes financial assets and liabilities using valuation techniques based on assumptions that are supported by prices from observable current market transactions. The Company has no assets or liabilities in this category.

Level 3 - includes financial assets and liabilities measured using valuation techniques based on nonmarket observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

## **Kirkland Lake Discoveries Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

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### **11. FINANCIAL INSTRUMENTS (continued)**

The Company has no assets or liabilities in this category.

#### **(a) Classification of financial assets and liabilities**

##### *Amortized cost:*

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- (i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method. Interest income is recognized in investment income (loss) in profit or loss. The Company's financial assets at amortized cost include cash. The Company's financial liabilities at amortized cost include accounts payable and accrued liabilities. The carrying value of cash and accounts payable and accrued liabilities approximate their fair value due to the short-term nature and limited credit risk of these assets and liabilities.

#### **(c) Financial Instruments Risk Management**

The Company has exposure to credit, liquidity and market risks from its use of financial instruments. This note provides information about the Company's exposure to each of these risks, and the Company's objectives, policies and processes for measuring and managing such risks. The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

##### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. Overall, the Company's credit risk has not changed significantly from the prior year. Sales taxes recoverable are due from the Canada Revenue Agency and the Company places its cash with financial institutions with high credit ratings, therefore in management's judgment, credit risk is low.

There have been no changes in management's methods for managing credit risk since March 31, 2024.

## **Kirkland Lake Discoveries Corp.**

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### **11. FINANCIAL INSTRUMENTS (continued)**

#### **(c) Financial Instruments Risk Management (continued)**

##### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in paying obligations as they come due. The Company's financial liabilities consist of accounts payable and accrued liabilities. Accounts payable consists of invoices payable to trade suppliers for capital expenditures, field operating activities, and general corporate expenses. Substantially all of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company addresses its liquidity risk through equity financing obtained through sale of common shares and units. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. As at December 31, 2024, the Company has a working capital of \$1,333,887 (March 31, 2024 - \$2,997,552). There have been no changes in management's methods for managing liquidity risk since March 31, 2024.

##### ***Market risk***

Market risk is the risk that changes in market prices, such as commodity prices, interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

##### ***(i) Currency risk***

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash accounts denominated in US dollars. Fluctuations in the exchange rate between the US dollar and the Canadian dollar at December 31, 2024 would not have a material impact on the Company's profit or loss.

##### ***(ii) Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as it does not hold any funds in interest bearing accounts.

##### ***(iii) Commodity price risk***

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices, especially gold, greatly affect the value of the Company and the potential value of its property and investments.

##### ***(iv) Equity price risk***

Equity price risk is the risk that the fair value of or future cash flows from financial instruments will significantly fluctuate because of changes in market prices. The Company does not have any investments in equity instruments at December 31, 2024 or March 31, 2024 and therefore is not exposed to equity price risk.

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### **12. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are:

- To safeguard our ability to continue as a going concern in order to develop and operate our current projects;
- To pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of equity consisting of common shares, stock options and warrants, and deficit that as at December 31, 2024 totalled \$11,434,085 (March 31, 2024 - \$13,065,044).

In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. The Company's current capital resources are sufficient to carry out our exploration plans and support operations through the current operating period.

The Company is not subject to any capital requirements imposed by a regulator.

There were no changes in the Company's approach to capital management during the nine months ended December 31, 2024.