A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons authorized to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state laws or an exemption from such registration is available. See "Plan of Distribution" below.

PRELIMINARY PROSPECTUS

INITIAL PUBLIC OFFERING March 21, 2025

AVVENTURA RESOURCES LTD.
(the "Issuer")

Type of Securities	OFFERING Number of Securities	Price per Security
Common Shares	6,000,000	$0.10

This prospectus (the "Prospectus") qualifies the distribution (the "Offering") in the provinces of British Columbia, Alberta and Ontario, through Research Capital Corporation (the "Agent"), as sole and exclusive agent to the Offering, of 6,000,000 common shares without par value (the "Common Shares") in the capital of the Issuer at a price of $0.10 per Common Share (the "Offering Price") for aggregate gross proceeds of $600,000. See "Description of the Securities to be Distributed" below. The Offering Price was determined by negotiation between the Issuer and the Agent.

The Common Shares are being offered pursuant to an agency agreement (the "Agency Agreement") dated [●], between the Issuer and the Agent.

	Price to Public	Agent's Commission(1)	Proceeds to Issuer(2)(3)
Per Common Share	$0.10	$0.01	$0.09
Total Offering(4)	$600,000	$60,000	$540,000

Notes:
(1) Pursuant to the terms and conditions of the Agency Agreement between the Issuer and the Agent, the Issuer has agreed to pay the Agent upon closing of the Offering (the "Closing"), a cash commission (the "Agent's Commission") equal to 10% of the aggregate gross proceeds realized from the sale of the Common Shares under the Offering. In addition, the Agent will also receive that number of compensation warrants (the "Compensation Warrants") equal to 10% of the aggregate number of Common Shares issued in the Offering, with each Compensation Warrant entitling the holder to purchase one Common Share (a "Compensation Share") at a price that is equal to the Offering Price for a period of 24 months from the Closing Day (as defined herein). The Issuer has further agreed to pay the Agent a cash corporate finance fee of $32,000 plus GST (the "Corporate Finance Fee"), of which $15,000 inclusive of GST has been paid by the Issuer. This Prospectus also qualifies for distribution the Compensation Warrants.
(2) Before deducting remaining expenses of the Offering, to be borne by the Issuer, estimated to be $35,000.
(3) The Issuer has granted to the Agent an over-allotment option (the "Over-Allotment Option") exercisable, in whole or in part in the sole discretion of the Agent, until the date which is 30 calendar days following the Closing Day, to sell up to that number of additional Common Shares equal to 15% of the Common Shares issued pursuant to this Offering. If the Over-Allotment Option is exercised by the Agent, the Issuer will issue up to 900,000 additional Common Shares (each an "Over-Allotment Share") for a purchase price equal to the Offering Price, and up to 90,000 additional Compensation Warrants, which would result in aggregate gross proceeds of $690,000. The Over-Allotment Option and the distribution of the Over-Allotment Shares are hereby qualified for distribution under this Prospectus. A purchaser who acquires Over-Allotment Shares forming part of the Agent's over-allocation position acquires those securities under the Prospectus, regardless of whether the overallocation position is ultimately filled through

the exercise of the Over-Allotment Option or secondary market purchases. This table excludes any Over-Allotment Option Shares issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution" below.
(4) The Offering will remain open until the date that is 90 days after a receipt is issued for the final Prospectus, unless an amendment to the final Prospectus is filed and the principal regulator has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the final Prospectus. In any event, the Offering must cease at the latest 180 days from the date of the receipt for the final Prospectus. If the Offering is not complete within the distribution period, all subscription funds will be returned to investors by the Agent, without interest or deduction. The Offering will not be completed and no subscription funds will be advanced to the Issuer unless and until the minimum subscription of 6,000,000 Common Shares for an aggregate gross proceeds of $600,000 has been raised.

ADDITIONAL DISTRIBUTIONS

This Prospectus also qualifies for distribution: (i) 700,000 Common Shares issuable to the Optionors (as defined herein) in respect of the Kabik Lake and Horwood Properties (as defined herein) pursuant to the Property Option Agreements (as defined herein); and (ii) 1,095,630 Common Shares issued to settle debt for legal fees on a prospectus-exempt basis in the province of British Columbia. See "General Development of Business" and "Plan of Distribution" below.

There is no market through which these securities may be sold, and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. The securities offered hereunder must be considered highly speculative due to the nature of the Issuer's business and an investment in the securities is suitable only for those purchasers who are willing to risk some or all of their investment and who can afford to lose some or all of their investment. See "Risk Factors" below.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc). See "Risk Factors" below.

The Issuer has applied to list its Common Shares on the Canadian Securities Exchange (the "Exchange"). Listing will be subject to the Issuer fulfilling all of the requirements of the Exchange, including the public distribution requirements.

The Agent's position is as follows:

Agent's Position	**Number of Securities Available**	**Exercise Period or Acquisition Date**	**Exercise Price or Average Acquisition Price**
Over-Allotment Option(1)	Up to 900,000 Common Shares	Within 30 calendar days from the Closing Day	$0.10 per Over-Allotment Share
Compensation Warrants(2)	Up to 690,000 Compensation Warrants(3)	Within 24 months from the Closing Day	$0.10 per Compensation Share
Total Securities Issuable to Agent	**1,590,000**		

Notes:
(1) These securities are qualified for distribution by this Prospectus. See "Plan of Distribution" below.
(2) These securities are qualified compensation securities ("Qualified Compensation Securities") within the meaning of National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101") and are qualified for distribution by this Prospectus. See "Plan of Distribution" below.
(3) Assuming full exercise of the Over-Allotment Option.

The Agent, as exclusive agent of the Issuer for the purposes of this Offering, offers the Common Shares for sale under this Prospectus at the Offering Price on a commercially reasonable efforts basis, in accordance with the Agency

Agreement referred to under "Plan of Distribution" below and subject to the approval of certain legal matters on behalf of the Issuer by Lotz & Company and on behalf of the Agent by Vantage Law Corporation. No person is authorized to provide any information or to make any representation in connection with this Offering other than as contained in this Prospectus.

Subscriptions will be received subject to rejection or allotment in whole or in part by the Issuer and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Common Shares will be issued as non-certificated book-entry securities through CDS Clearing and Depository Services Inc. ("CDS") or its nominee. Consequently, purchasers of Common Shares are expected to receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Common Shares were purchased and no certificate evidencing the Common Shares will be issued. Registration will be made through the depository services of CDS.

AGENT

RESEARCH CAPITAL CORPORATION
1075 West Georgia Street, Suite 1920
Vancouver, British Columbia
V6E 3C9

Telephone: (604) 662 - 1800
Facsimile: (778) 373 - 4101

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FORWARD-LOOKING STATEMENTS

This Prospectus contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, statements with respect to the future price of metals, historical estimates of mineralization, capital expenditures, success of exploration activities, permitting timelines, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage or the completion of regulatory approvals. In certain cases, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this Prospectus includes, among other things, proposed expenditures for exploration work on the Property, results of such exploration work, economic viability of exploration at the Property, general and administrative expenses, expectations generally regarding completion of this Offering, the ability of the Issuer to raise further capital for corporate purposes, the utilization of the net proceeds of the Offering and treatment under applicable governmental regimes for permitting and approvals. See "Narrative Description of the Business – Recommendations", "Use of Proceeds" and "Risk Factors" below.

Such forward-looking information is based on a number of material factors and assumptions, including, but not limited in any manner, to those disclosed in any of the Issuer's public filings that timelines regarding exploration of the Property will be within industry experience, that the costs for exploration activities will not deviate significantly from recent trends, the ultimate determination of mineral reserves, if any, the availability and final receipt of required approvals, licenses and permits, sufficient working capital to develop and operate any proposed mine, access to adequate services and supplies, economic conditions, commodity prices, foreign currency exchange rates, interest rates, access to capital and debt markets and associated costs of funds, the ability of the Issuer to retain key personnel, availability of a qualified work force, and the ultimate ability to mine, process and sell mineral products on economically favourable terms. While the Issuer considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to, risks and uncertainties disclosed in this Prospectus. See "Risk Factors" below. The Issuer has no specific policies or procedures for updating forward-looking information. Forward-looking information is based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Issuer does not intend, and undertakes no obligation, to update any forward-looking information to reflect, among other things, new information or future events.

Investors are cautioned against placing undue reliance on forward-looking information.

ELIGIBILITY FOR INVESTMENT

In the opinion of Thorsteinssons LLP, Canadian tax counsel to the Issuer, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (the "Tax Act"), and any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, provided the Common Shares are listed on a "designated stock exchange" (as such term is defined in the Tax Act and which currently includes the Exchange or the Issuer is otherwise a "public corporation" (as such term is defined in the Tax Act) at the particular time, the Common Shares will at that time be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan (a "RRSP"), a registered retirement income fund (a "RRIF"), a deferred profit sharing plan, a registered disability savings plan (an "RDSP"), a first home savings account (an "FHSA") a registered education savings plan (a "RESP"), and a tax-free savings account (a "TFSA", and collectively with RRSP, RRIF, FHSA and RDSP, the "Registered Plans").

The Common Shares are not currently listed on a "designated stock exchange" and the Issuer is not otherwise a "public corporation" (as such term is defined in the Tax Act). The Issuer has applied to list the Common Shares on the Exchange. Listing will be subject to the Issuer fulfilling all of the requirements of the Exchange. The Issuer will rely upon the Exchange to list the Common Shares on the Exchange as of the day before Closing and otherwise proceed in the manner described above to render the Common Shares issued on the Closing to be listed on a designated stock exchange within the meaning of the Tax Act at the time of issuance. If the Common Shares are not listed on the Exchange at the time of their issuance on the Closing and the Issuer is not otherwise a "public corporation" at that time, the Common Shares will not be qualified investments for the Registered Plans at that time. It is counsel's understanding that the Listing is a condition of Closing.

Notwithstanding that the Common Shares may be a qualified investment for a Registered Plan, the holder of the TFSA, the FHSA or the RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be) will be subject to a penalty tax as set out in the Tax Act if the Common Shares are a "prohibited investment" for the purposes of the Tax Act. The Common Shares will be a "prohibited investment" if the holder of the TFSA, the FHSA or the RDSP, the subscriber of the RESP or annuitant of the RRSP or RRIF (as the case may be): (i) does not deal at arm's length with the Issuer for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Issuer. In addition, the Common Shares will not be a "prohibited investment", if the Common Shares are "excluded property", as defined in the Tax Act, for a Registered Plan. **Prospective holders that intend to hold Common Shares in a Registered Plan are urged to consult their own tax advisers.**

METRIC EQUIVALENTS

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

To convert from Imperial	To Metric	Multiply by
Acres	Hectares (ha)	0.404686
Feet	Metres (m) Centimetres (cm)	0.30480 30.4800
Miles	Kilometres (km)	1.609344
Tons	Tonnes (t)	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

GLOSSARY

"**Agency Agreement**" means the Agency Agreement dated [●], between the Agent and the Issuer.

"**Agent**" means Research Capital Corporation.

"**Agent's Commission**" means the cash commission payable to the Agent equal to 10% of the gross proceeds in relation to this Offering.

"**Author**" means Brian H. Newton, P. Geo, the author of the Technical Report.

"**Avventura BC**" means Avventura Resources (BC) Inc., formerly Avventura Resources Inc., the wholly owned subsidiary of the Issuer as a result of the Transaction.

"**Avventura BC Shares**" means the common shares in the capital of Avventura BC.

"**Avventura BC Shareholders**" means the shareholders of Avventura BC immediately prior to the close of the Transaction.

"**Board of Directors**" or "**Board**" means the Issuer's board of directors.

"**Closing**" means the closing of the Offering and the issuance by the Issuer of the Common Shares.

"**Closing Day**" means such day for Closing as determined by the Agent and as agreed to by the Issuer, subject to the limitations outlined under "Use of Proceeds".

"**Common Shares**" means the common shares without par value in the capital of the Issuer.

"**Compensation Shares**" means the Common Shares to be issued upon exercise of the Compensation Warrants**.**

"**Compensation Warrants**" means the options granted to the Agent as compensation for its services in relation to this Offering entitling the Agent to purchase up to that amount of Compensation Shares as is equal to 10% of the aggregate number of Common Shares issued pursuant to this Offering (including any Over-Allotment Shares issued by the Issuer upon the exercise of the Over-Allotment Option). Each Compensation Warrant entitles the Agent to acquire one Compensation Share at the Offering Price for a period of 24 months after the Closing Day.

"**Corporate Finance Fee**" means the fee of $32,000 plus GST to be paid by the Issuer to the Agent on the Closing Day in consideration of corporate finance and structuring services provided by the Agent, of which $15,000 inclusive of GST has been paid by the Issuer.

"**ENDM**" means the Ministry of Energy, Northern Development and Mines (Ontario).

"**Escrow Agent**" means TSX Trust Company.

"**Escrow Agreement**" means the escrow agreement dated effective [●], among the Issuer, the Escrow Agent and certain securityholders of the Issuer.

"**Exchange**" or "**CSE**" means the Canadian Securities Exchange.

"**Form 51-102F6V**" means Form 51-102F6V *Statement of Executive Compensation – Venture Issuers* under NI 51-102.

"**Issuer**" means Avventura Resources Ltd., formerly Horwood Exploration Corp.

"**Kabik Lake Property**" means the Kabik Lake project located in the Patricia Mining Division of Ontario.

"**Kabik Lake Property Option Agreement**" means the option agreement dated March 17, 2022 made among Avventura BC and the Optionors with respect to the Kabik Lake Property.

"**Listing**" means the listing of the Common Shares for trading on the Exchange.

"**Listing Date**" means the date the Common Shares are listed on the Exchange.

"**MLAS**" means the Mining Lands Administration System (Ontario).

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations*.

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings*.

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, in respect of an issuer, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

(b) each individual who, in respect of an issuer, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

(c) in respect of an issuer and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with Section 1.3(5) of Form 51-102F6V, for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of an issuer, and was not acting in a similar capacity, at the end of that financial year.

"**Offering**" has the meaning ascribed to it on the face page of this Prospectus.

"**Offering Price**" means $0.10 per Common Share.

"**Optionors**" means Gravel Ridge Resources Ltd. and 1544230 Ontario Inc.

"**Over-Allotment Option**" means the Agent's option to solicit up to 900,000 Over-Allotment Shares to raise additional gross proceeds of up to $90,000 exercisable up to 30 calendar days following the Closing Day.

"**Over-Allotment Shares**" means the Common Shares to be issued upon exercise of the Over-Allotment Option.

"**Principals**" has the meaning ascribed to it in NP 46-201.

"**Property**" or the "**Horwood Property**" means the Horwood project located in the Porcupine Mining Division of Ontario.

"**Properties**" means, collectively, the Property and the Kabik Lake Property.

"**Property Option Agreement**" means the option agreement dated May 4, 2022, as amended on May 4, 2023, made among the Issuer and the Optionors with respect to the Property.

"**Share Exchange Agreement**" means the share exchange agreement dated October 1, 2024, as amended on October 15, 2024 and November 15, 2024, among the Issuer, Avventura BC and the Avventura BC Shareholders.

"**Stock Option Plan**" means a stock option plan approved by the Board of Directors effective as of February 13, 2023 providing for the granting of incentive stock options to the Issuer's directors, officers, employees and consultants.

"**Subscriber**" means a subscriber for the Common Shares offered under this Offering.

"**Technical Report**" means the technical report dated effective December 21, 2022, as amended August 1, 2023, entitled "NI 43-101 Technical Report on the Horwood Property District of Sudbury, Ontario" authored by the Author.

"**Transaction**" means the share exchange transaction completed on November 29, 2024 pursuant to the terms of the Share Exchange Agreement, whereby the Avventura BC Shareholders transferred their Avventura BC Shares to the Issuer at an exchange rate of one Avventura BC Share for one Common Share at a deemed price of $0.05 per Common Share.

"**Warrants**" means the outstanding common share purchase warrants of the Issuer.

"**Warrant Shares**" means the Common Shares to be issued upon the exercise of the Warrants.

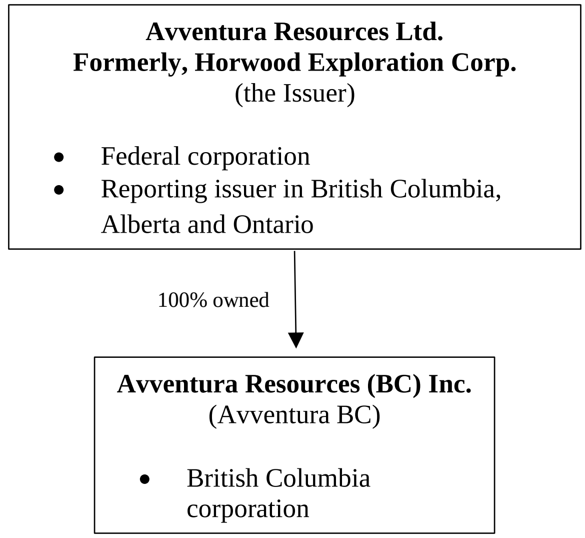
GLOSSARY OF TECHNICAL TERMS

°	Degrees (angle)
° C	Degrees Celsius (temperature)
Ag	Chemical symbol for silver
Au	Chemical symbol for gold
Cu	Chemical symbol for copper
DDH	Diamond Drillhole
EM	Electromagnetic (geophysical conductivity survey)
g/t	Grams per tonne (concentration)
GIT	Geoscientist-in-Training
GPS	Global Positioning System
Ha	Hectare (area)
HPP	Horwood Peninsula Pluton (geologic feature on Horwood Property)
mE	Metres east
mN	Metres north
Ppb	Parts per billion
Ppm	Parts per million
Pyrite	An iron sulphide
TTG	Tonalite-Trondhjemite-Granodiorite (Archean posttectonic intrusive complex style)
Zn	Chemical symbol for zinc

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus.

The Issuer:	The Issuer was incorporated under the *Canada Business Corporations Act* on April 27, 2022, under the name "Horwood Exploration Corp." On October 1, 2024 the Issuer entered into the Share Exchange Agreement with Avventura BC and the Avventura BC Shareholders. On November 29, 2024, the Issuer completed the Transaction. Pursuant to the terms of the Share Exchange Agreement and upon the close of the Transaction, Avventura BC is now the Issuer's wholly-owned subsidiary. The Transaction was approved by the Board of Directors on October 1, 2024. Pursuant to the terms of the Share Exchange Agreement, on October 15, 2024 the Issuer changed its name to "Avventura Resources Ltd." The Issuer's corporate office is located at 9285 203B Street, Langley, British Columbia, V1M 2L9, and its registered office is located at 320 Granville Street, Suite 880, Vancouver, British Columbia, V6C 1S9.
The Issuer's Business:	The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets in Canada. Its objective is to locate and develop economic precious and base metal properties of merit and to conduct its exploration program on the Property. Further to these objectives, the Issuer entered into the Property Option Agreement pursuant to which it is entitled to earn an undivided 100% interest in the Property, subject to a 2% net smelter returns royalty. Pursuant to the terms of the Kabik Lake Property Option Agreement, Avventura BC is entitled to earn an undivided 100% interest in the Kabik Lake Property, subject to a 1.5% net smelter returns royalty. The Issuer intends to fund the exploration of the Property and its initial commitments thereon using the proceeds of its prior private placement financings and this Offering. See "Narrative Description of the Business" below.
The Horwood Property:	The Property consists of 45 multicell mining claims, covering an area of 68.36 km^2 in the Porcupine Mining Division of Ontario, approximately 90 km southwest of Timmins in a straight line. See "Narrative Description of the Business" below.
The Share Exchange Agreement and Transaction	The Issuer entered into the Share Exchange Agreement with Avventura BC and the Avventura BC Shareholders in respect of a reverse-takeover transaction whereby the Issuer acquired all of the issued and outstanding Avventura BC Shares, a copy of which is available on SEDAR+. The Transaction was approved by written consent resolutions of each of the Boards of Directors of the respective parties, and the Transaction was completed on November 29, 2024. Pursuant to the terms of the Share Exchange Agreement, upon the closing of the Transaction each Avventura BC Shareholder received, in exchange for each Avventura BC Share it held, one (1) Common Share at a deemed issuance price of $0.05 per Common Share, resulting in the issuance of 13,575,001 Common Shares at the closing of the Transaction. Avventura BC became a wholly owned subsidiary of the Issuer, and following closing the Issuer had 26,086,369 Common Shares issued and outstanding (on a non-diluted basis), of which Avventura BC Shareholders held approximately 52% (on a non-diluted basis) of the issued and outstanding Common Shares of the Issuer.
Inter-corporate Relationships	The diagram below describes the inter-corporate relationship between the Issuer and Avventura BC post-Transaction.



Management, Directors and Officers:

Anthony Balic – Chief Executive Officer, President and Promoter
Mark Lotz – Director, Chief Financial Officer and Corporate Secretary
John Pallot – Director (Chairman)
John Hiner – Director
Eric Allard – Director

See "Directors and Officers" below.

The Offering:

The Issuer is offering 6,000,000 Common Shares for sale at a price of $0.10 per Common Share in the provinces of British Columbia, Alberta and Ontario.

This Prospectus also qualifies the distribution of: (i) up to 690,000 Compensation Warrants, to the Agent as Qualified Compensation Securities; (ii) up to 900,000 Over-Allotment Shares issuable upon the exercise of the Over-Allotment Option; (iii) 700,000 Common Shares issuable to the Optionors in respect of the Kabik Lake Property and the Property; and (iv) 1,095,630 Common Shares issued to settle debt for legal fees on a prospectus-exempt basis in the province of British Columbia. The Offering is subject to the completion of a minimum subscription of 6,000,000 Common Shares for gross proceeds to the Issuer of $600,000, which proceeds shall be held by the Agent pending the completion of the Offering.

See "Plan of Distribution" below.

Use of Proceeds:

The gross proceeds to the Issuer (excluding proceeds which may be received from the exercise of the Over-Allotment Option) from the sale of the Common Shares offered hereby will be $600,000. The total funds available to the Issuer at the closing of the Offering, after deducting the estimated remaining expenses of the Offering of $35,000, the Agent's Commission of $60,000 and the balance of the Corporate Finance Fee of $17,000 not including the applicable GST, and including the Issuer's estimated working capital as at February 28, 2025 of $30,000, are estimated to be $475,500.

Principal Purpose	Funds to be Used[(1)]
To fund the Phase 1 exploration program on the Property[(2)]	$250,000
To make property option payments with respect to the Property	$25,000
To make property option payments with respect to the Kabik Lake Property	$15,000
To provide funding sufficient to meet administrative costs for 12 months	$115,500
To provide general working capital to fund ongoing operations	$70,000
TOTAL:	**$475,500**

Notes:
(1) See "Use of Proceeds" below. The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In the event of exercise of the Over-Allotment Option, the Issuer intends to use the proceeds for general working capital and, if warranted, to fund Phase 2 of the recommended exploration program on the Property.
(2) See "Narrative Description of the Business – Recommendations" below for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Properties.

Summary of Financial Information:

The following selected financial information is subject to the detailed information contained in the audited financial statements of the Issuer and Avventura BC and notes thereto appearing elsewhere in this Prospectus. The selected financial information is derived from and should be read in conjunction with: (i) the Issuer's audited financial statements for the financial years ended December 31, 2022 and 2023; (ii) the Issuer's unaudited interim consolidated financial statements for the period ended December 31, 2024; (iii) Avventura BC's audited consolidated financial statements for the financial years ended September 30, 2023 and September 30, 2024; and (iv) the pro forma consolidated interim financial statements of the Issuer as of September 30, 2024.

	Issuer as at December 31, 2024 ($) (Unaudited)	Avventura BC as at September 30, 2024 ($) (Audited)	Pro Forma Adjustment as at September 30, 2024 ($) (Unaudited)
Exploration Expenditures and Evaluation Asset	179,067	155,067	179,067
Net Loss and Comprehensive Loss	(810,324)	(179,979)	(834,254)
Total assets	234,554	214,881	(752,867)

See "Pro Forma Consolidated Financial Information" below.

Risk Factors: An investment in the Common Shares should be considered highly speculative and investors may incur a loss on their investment. The Issuer has no history of earnings and to date has not defined any commercial quantities of mineral reserves on the Properties, nor can there be any guarantee that such reserves may ever be defined. The Issuer has options only to acquire 100% interests in the Properties and there is no guarantee that the Issuer's 100% interests, if earned, will be certain or that they cannot be challenged by claims of aboriginal or indigenous title, or unknown third parties claiming an interest in the Properties. The Issuer and its assets may also become subject to uninsurable risks. The Issuer's activities may require permits or licenses which may not be granted to the Issuer. The Issuer competes with other companies with greater financial resources and technical facilities. The Issuer may be affected by political, economic, environmental and regulatory risks beyond its control. The Issuer is currently largely dependent on the performance of its directors and officers and there is no assurance the Issuer can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely.

See "Risk Factors" below.

Currency: Unless otherwise indicated, all currency amounts herein are stated in Canadian Dollars.

CORPORATE STRUCTURE

Name and Incorporation

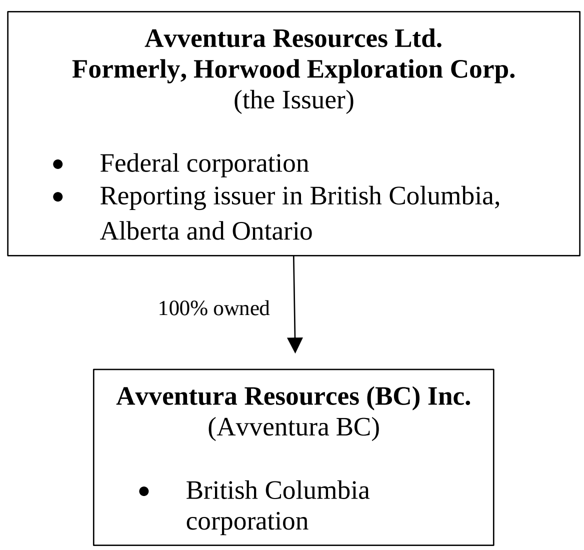
Avventura Resources Ltd. was incorporated pursuant to the *Canada Business Corporations Act* on April 27, 2022, under the name "Horwood Exploration Corp." On October 15, 2024, the Issuer changed its name to "Avventura Resources Ltd."

On November 29, 2024, the Issuer completed the Transaction pursuant to the Share Exchange Agreement among the Issuer, Avventura BC and the Avventura BC Shareholders, and Avventura BC became a wholly-owned subsidiary of the Issuer. Avventura BC was incorporated under the *Business Corporations Act* (British Columbia) on March 9, 2022 under the name "Avventura Resources Inc.", and on October 10, 2024 Avventura BC changed its name to "Avventura Resources (BC) Inc."

The Issuer's head office is located at 9285 203B Street, Langley, British Columbia, V1M 2L9, and its registered office is located at 320 Granville Street, Suite 880, Vancouver, British Columbia, V6C 1S9.

Intercorporate Relationship

The diagram below describes the intercorporate relationship between the Issuer and its only subsidiary following the completion of the Transaction.



GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Issuer

The Issuer is engaged in the business of mineral exploration and the acquisition of mineral property assets in Canada. See "Narrative Description of the Business" below.

History

Financings

<u>The Issuer</u>

On June 17, 2022, the Issuer issued 2,400,000 Common Shares to founders at a price of $0.005 per Common Share for aggregate gross proceeds of $12,000.

On August 19, 2022, the Issuer completed a first tranche of a non-brokered private placement (the "August 2022 Offering") by issuing 1,250,000 units at the price of $0.02 per unit for aggregate gross proceeds of $25,000. Each unit was comprised of one Common Share, issued on a "flow-through basis" and one-half of one Warrant. Each whole Warrant was exercisable for one Common Share at an exercise price of $0.05 per Common Share until August 19, 2024.

On December 2, 2022, the Issuer completed the first tranche of a non-brokered private placement (the "December 2022 Offering") by issuing 1,000,000 units at the price of $0.08 per unit for aggregate gross proceeds of $80,000. Each unit was comprised of one Common Share and one-half of one Warrant. Each whole Warrant was exercisable for one Common Share at an exercise price of $0.10 per Common Share until December 2, 2024.

On December 9, 2022, the Issuer completed a second tranche of the December 2022 Offering by issuing 250,000 units at the price of $0.08 per unit for aggregate gross proceeds of $20,000. Each unit was comprised of one Common Share and one-half of one Warrant. Each whole Warrant was exercisable for one Common Share at an exercise price of $0.10 per Common Share until December 9, 2024.

On January 20, 2023, the Issuer completed a second and final tranche of the August 2022 Offering by issuing 4,375,000 units at the price of $0.02 per unit for aggregate gross proceeds of $87,500. Each unit was comprised of one flow-through Common Share and one-half of one Warrant. Each whole Warrant was exercisable for one Common Share at an exercise price of $0.05 per Common Share until January 20, 2025.

On January 20, 2023, the Issuer completed a third and final tranche of the December 2022 Offering by issuing 375,000 units at the price of $0.08 per unit for aggregate gross proceeds of $30,000. Each unit was comprised of one Common Share and one-half of one Warrant. Each whole Warrant was exercisable for one Common Share at an exercise price of $0.10 per Common Share until January 20, 2025.

On January 20, 2023, the Issuer completed a non-brokered private placement offering (the "January 2023 Offering") by issuing 6,100,000 units at a price of $0.02 per unit for aggregate gross proceeds of $122,000. Each unit was comprised of one Common Share and one-half of one Warrant. Each whole Warrant was exercisable for one Common Share at an exercise price of $0.05 per Common Share until January 20, 2025.

On April 8, 2024, the Issuer completed a non-brokered private placement offering by issuing 1,000,000 units at a price of $0.05 per unit for aggregate gross proceeds of $50,000. Each unit was comprised of one Common Share and one Warrant. Each Warrant is exercisable for one Common Share at an exercise price of $0.10 per Common Share for a period of 36 months from the date the units were issued.

On May 2, 2024, the Issuer completed a non-brokered private placement offering by issuing 1,000,000 units at a price of $0.05 per unit for aggregate gross proceeds of $50,000. Each unit was comprised of one Common Share and one Warrant. Each Warrant is exercisable for one Common Share at an exercise price of $0.10 per Common Share for a period of 36 months from the date the units were issued.

See "Description of the Outstanding Securities" below for further information on the private seed capital equity financing. These funds have been, and are being, used for the acquisition, exploration and maintenance of the the Issuer's properties and general working capital. The Issuer intends to raise funds through the Offering to carry out additional exploration on the Property, as set out in "Use of Proceeds" below.

Avventura BC

On December 5, 2022, Avventura BC completed a non-brokered private placement of 125,000 Avventura BC Shares at $0.005 per Common Share for gross proceeds of $625.

On March 9, 2023, Avventura BC completed a non-brokered private placement of 1,800,000 Avventura BC Shares at $0.005 per Common Share for gross proceeds of $8,000.

On April 21, 2023, Avventura BC completed a non-brokered private placement of 1,250,000 units at a price of $0.02 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one flow-through Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one non-flow-through Avventura

BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On July 19, 2023, Avventura BC completed a non-brokered private placement of 6,500,000 units at a price of $0.02 per unit for aggregate gross proceeds of $130,000. Each unit was comprised of one flow-through Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one non-flow-through Avventura BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 21, 2023, Avventura BC completed a non-brokered private placement of 700,000 units at a price of $0.05 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one Avventura BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On September 19, 2023, Avventura BC completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one Avventura BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On November 28, 2023, Avventura BC completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one Avventura BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 8, 2024, Avventura BC completed a non-brokered private placement of 1,900,000 units at a price of $0.05 per unit for aggregate gross proceeds of $95,000. Each unit was comprised of one Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one Avventura BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 29, 2024, Avventura BC completed a non-brokered private placement of 800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $40,000. Each unit was comprised of one Avventura BC Share and one Avventura BC Share purchase warrant. Each warrant was exercisable for one Avventura BC Share at an exercise price of $0.05 per Avventura BC Share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

Development

<u>The Issuer</u>

The Issuer has undertaken the following steps since incorporation to develop its business: (1) identified a mineral property with sufficient merit to warrant exploration, being the Property; (2) entered into the Property Option Agreement, as further described in "Acquisitions" below; (3) raised sufficient financing to make the first payment pursuant to the Property Option Agreement (as described in "Acquisitions" below); (4) commissioned a technical report on the Property; (5) entered into the Share Exchange Agreement; (6) completed the Transaction; (7) engaged the Agent to assist the Issuer in making an application for listing on the Exchange and to raise funding under this Prospectus; and (8) made an application for listing on the Exchange.

The Issuer changed its name to Avventura Resources Ltd. on October 15, 2024. In the event that the Property is not deemed to be viable, the Issuer currently expects that it will explore other opportunities or acquire interests in other mineral properties, including in respect of the Kabik Lake Property.

<u>Avventura BC</u>

Avventura BC has undertaken the following steps since incorporation to develop its business: (1) identified a mineral property with sufficient merit to warrant exploration, being the Kabik Lake Property; (2) entered into the Kabik Lake Property Option Agreement, as further described in "Acquisitions" below; (3) raised sufficient financing to make the first payment pursuant to the Kabik Lake Property Option Agreement (as described in "Acquisitions" below); (4) entered into the Share Exchange Agreement; and (5) completed the Transaction.

Avventura BC changed its name to Avventura Resources (BC) Inc. on October 10, 2024.

Acquisitions

Horwood Property

The Issuer entered into the Property Option Agreement whereby the Issuer was granted an irrevocable and exclusive option to acquire up to a 100% interest in the Property, consisting of 45 multi-cell mineral claims in the Porcupine Mining Division of Ontario, the particulars of which are described in greater detail below.

To acquire the 100% interest in the Property, the Issuer is required to: (i) pay a total of $124,000 in cash payments to the Optionors; and (ii) issue a total of 500,000 Common Shares to the Optionors, all in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares to be Issued
Upon execution of Property Option Agreement	$24,000 (paid)	Nil
Upon the Listing	$25,000	500,000(1)
On or before the 1st anniversary of the Listing Date	$30,000	Nil
On or before the 2nd anniversary of the Listing Date	$45,000	Nil

Notes:
(1) These 500,000 Common Shares are qualified for distribution under this Prospectus.

Once the Issuer has completed the above in full, then it shall be deemed to have earned a 100% undivided interest in the Property, subject to a 2% net smelter returns royalty (the "Royalty"). The Issuer will have the right to purchase at any time 50% (being 1%) of such Royalty for a one time payment of $1,000,000 to the Optionors. Otherwise, once the Issuer exercises its option to acquire a 100% interest in the Property and upon the commencement of commercial production thereon, the Royalty is payable to the Optionors on all proceeds, received or deemed received from any mine, smelter, refinery, reduction works or other purchaser from the sale of ores, metals, concentrates or other mineral products produced or deemed to be produced from the Property after deducting from such proceeds to the extent that they are actually incurred and were not deducted by the Issuer in computing payments: sampling and assaying; treatment, smelting and refining charges; penalties; costs of transportation of ores, metals, concentrates or other mineral products from the Property to any mint, smelter refinery, reduction works or other purchaser; and insurance on such ores, metals, concentrates or other mineral products. The Issuer has exclusive possession of the Property with the right to carry out mining operations thereon. The Issuer has agreed to conduct itself in accordance with good exploration, development and mining practice, and in compliance with all applicable legislation, including without limitation, the *Mining Act* (Ontario), and health safety standards.

Acquisition of Avventura Resources (BC) Inc.

The Issuer acquired a 100% interest in Avventura BC pursuant to, and on the terms and subject to the conditions set out in, the Share Exchange Agreement, a copy of which is available under the Issuer's profile on SEDAR+. Pursuant to the Share Exchange Agreement, the Issuer issued an aggregate 13,575,001 Common Shares to the Avventura BC Shareholders. The Transaction was approved by a written consent resolution of the boards of directors of the respective parties. Upon completion of the Transaction, the Avventura BC Shareholders became securityholders of the Issuer.

The Share Exchange Agreement

The Share Exchange Agreement contemplated a share exchange at a ratio of one (1) Common Share of the Issuer for every share of Avventura BC, pursuant to which the Issuer acquired all of the issued and outstanding shares of Avventura BC on terms more particularly set forth in the Share Exchange Agreement.

Upon completion of the Transaction, the Avventura BC Shareholders held 13,575,001 Common Shares. It is expected that 8,400,000 Common Shares will be subject to escrow.

Pre-Transaction and Post-Transaction Events

Upon the terms and subject to the conditions set forth in the Share Exchange Agreement, the following occurred:

1. The Issuer completed a re-pricing of certain of its Common Shares and cancelled 6,675,000 Warrants, such that it had 12,511,368 Common Shares and 2,000,000 Warrants outstanding immediately prior to the closing of the Transaction;

2. The Issuer completed the Name Change; and

3. The Issuer re-constituted its Board of Directors and management.

Upon the terms and subject to the conditions set forth in the Share Exchange Agreement, at the Closing of the Transaction:

1. As consideration and in exchange for the Avventura BC Shares, the Issuer issued a corresponding number of Common Shares to the Avventura BC Shareholders at a deemed price of $0.05 per Common Share;

2. The share certificates representing the Avventura BC Shareholders' Avventura BC Shares were cancelled and a single share certificate was issued to the Issuer showing that the Issuer is the sole holder of all of the issued and outstanding Avventura BC Shares, being 13,575,001 Avventura BC Shares;

3. Avventura BC became a wholly-owned subsidiary of the Issuer; and

4. Through the acquisition of Avventura BC, the Issuer acquired the Kabik Lake Property.

On January 20, 2025, the Issuer agreed to issue 1,095,630 Common Shares at a price of $0.10 to settle legal fees of $109,563. These Common Shares were issued on a prospectus-exempt basis in the province of British Columbia and are qualified for distribution under this Prospectus.

Kabik Lake Property

On March 17, 2022, Avventura BC entered into the Kabik Lake Property Option Agreement, whereby Avventura BC was granted the sole, exclusive and irrevocable right and option to acquire a 100% undivided legal and beneficial interest in and to the Kabik Lake Property, consisting of 58 mining claims in the Patricia Mining Division of Ontario, the particulars of which are described in greater detail below.

To acquire the 100% interest in the Kabik Lake Property, Avventura BC is required to: (i) pay a total of $75,000 in cash payments to the Optionors; and (ii) issue a total of 200,000 Common Shares to the Optionors, all in accordance with the following schedule:

Date for Completion	Cash Payment	Number of Common Shares to be Issued
Upon execution of Kabik Lake Property Option Agreement	$10,000 (paid by Avventura BC)	Nil

Date for Completion	Cash Payment	Number of Common Shares to be Issued
Upon the Listing	$15,000	200,000(1)
On or before the 1st anniversary of the Listing	$20,000	Nil
On or before the 2nd anniversary of the Listing	$30,000	Nil

Notes:
(1) These 200,000 Common Shares are qualified for distribution under this Prospectus.

Once the Issuer has completed the above in full, then it shall be deemed to have earned a 100% undivided interest in the Kabik Lake Property, subject to a 1.5% net smelter returns royalty (the "Kabik Royalty"). The Issuer will have the right to purchase 33.33% (being 0.5%) of such Kabik Royalty at any time for $500,000 by way of certified cheque or bank draft within 30 days of such election by the Issuer. In connection with the exercise of such right to elect, the Optionors shall execute and deliver all such documents, agreements, transfers and quit claims as the solicitors for the Issuer may reasonably require. Upon such purchase and payment being made, the Kabik Royalty shall thereafter be calculated as being reduced to 1%. Thereafter, the Issuer or its assigns shall have the right of first refusal to purchase the Kabik Royalty from the Optionors should the Optionors wish to sell, assign, transfer, convey or otherwise dispose of or deal with the Kabik Royalty in accordance with the provisions of the Kabik Lake Property Option Agreement. Otherwise, once the Issuer exercises its option to acquire a 100% interest in the Property and upon the commencement of commercial production thereon, the Royalty is payable to the Optionors with respect to the net value (as defined in the Kabik Lake Property Option Agreement) of all ores, minerals, metals and materials mined and removed from the Kabik Lake Property and sold or deemed to have been sold by or for the Issuer.

The Issuer has exclusive and quiet possession of the Kabik Lake Property with the right to carry out mining operations thereon and the right to remove and dispose of reasonable quantities of ores and metals therefrom for the purposes of obtaining assays or making other tests during the term of the Kabik Lake Property Option Agreement. The Issuer will also pay any licence renewal fees, taxes and other governmental charges required to keep the Kabik Lake Property in good standing during the term of the Kabik Lake Property Option Agreement.

Trends

As a junior mining company, the Issuer is highly susceptible to the cycles of the mineral resource sector and the financial markets as they relate to junior companies.

The Issuer's financial performance is dependent upon many external factors. Both prices and markets for metals are volatile, difficult to predict and subject to changes in domestic and international, political, social and economic environments. Circumstances and events beyond its control could materially affect the financial performance of the Issuer.

Apart from the risk factors noted above and under the heading "Risk Factors", the Issuer is not aware of any other trends, commitments, events or uncertainties that are reasonably likely to have a material adverse effect on the Issuer's business, financial conditions or result of operations.

NARRATIVE DESCRIPTION OF THE BUSINESS

Overview

The Issuer is engaged in the business of acquiring and exploring mineral resource properties. The Issuer's material property is the Property, consisting of 45 multicell mineral claims in the Porcupine Mining Division of Ontario. The Issuer's interest in the Property is governed by the Property Option Agreement. See "General Development of the Business - Acquisitions" above.

The Issuer intends to use the net proceeds from this Offering to carry out exploration on the Property and for working capital. The Issuer may decide to acquire other mineral properties in addition to the Property described below.

Horwood Property, Porcupine Mining Division, Ontario, Canada

The following information regarding the Property is summarized or extracted from an independent technical report dated effective December 21, 2022, as amended August 1, 2023, entitled "*NI 43-101 Technical Report on the Horwood Property District of Sudbury, Ontario*" (the "Technical Report") prepared for the Issuer by the Author in accordance with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Author is a "qualified person" within the meaning of NI 43-101.

All photo, figure and table references herein are numbered in accordance with the Technical Report available on the Issuer's SEDAR+ profile at www.sedarplus.ca.

Property Description and Location

Area

The Property consists of two hundred and ninety-six (296) mining claim cells, arranged into forty-five (45) Multicell Claims which form two non-contiguous blocks. The claims have a total area of 68.36 km^2 after accommodating for overlaps with private patented claims. The largest claim block surrounds four smaller areas of third-party claim ownership as well as a number of small patents that cover cottage properties on Horwood Lake.

Location

The Property is located in the Horwood and Silk Townships in the Sudbury District of Ontario, approximately 90 kilometres southwest of Timmins in a straight line. The nearest major road is Highway 101 which passes about 20 km to the north of the Property. The smaller towns of Foleyet and Chapleau are approximately 20 and 105 km west of the property along Highway 101 (Figures 2, 3). The Property lies within NTS map sheets 41O/16 and 42B/01 in the Porcupine Mining Division. The historic Denross gold occurrence is located on the Property, within Claim 717970 at 405,470 mE, 5,320,812 mN (Zone 17T, NAD83).

Description of Mineral Tenure

The Property consists of two hundred and ninety-six (296) mining claim cells, arranged into forty-five (45) Multicell Claims which form two non-contiguous blocks. The claim groups lie atop Crown land. In the south the Property abuts two groups of historic mining patents (where surface and subsurface rights are held) which cover the historic Orofino and Smith-Thorne gold deposits. Claim 700378 overlaps with two small Alienations which are protected ground where exploration cannot be carried out, which cover lakefront cottage properties.

Table 2 Claim Details and Annual Work Required(1)

Claim	Issue Date	Due Date	Work Required	Holder	# Cells
700378	2022-01-07	2026-01-04	$10,000	(100) Gravel Ridge Resources Ltd.	25
700379	2022-01-07	2026-01-04	$9,200	(100) Gravel Ridge Resources Ltd.	23
715342	2022-03-22	2026-03-22	$5,600	(100) Gravel Ridge Resources Ltd.	14
716846	2022-04-03	2025-04-03	$4,400	(100) Gravel Ridge Resources Ltd.	11
717594	2022-04-08	2025-04-08	$400	(100) Gravel Ridge Resources Ltd.	1
717595	2022-04-08	2025-04-08	$800	(100) Gravel Ridge Resources Ltd.	2
717596	2022-04-08	2025-04-08	$400	(100) Gravel Ridge Resources Ltd.	1
717597	2022-04-08	2025-04-08	$400	(100) Gravel Ridge Resources Ltd.	1
717598	2022-04-08	2025-04-08	$400	(100) Gravel Ridge Resources Ltd.	1
717883	2022-04-09	2025-04-09	$800	(100) Gravel Ridge Resources Ltd.	2

Claim	Issue Date	Due Date	Work Required	Holder	# Cells
717933	2022-04-09	2025-04-09	$2,400	(100) Gravel Ridge Resources Ltd.	6
717942	2022-04-09	2025-04-09	$400	(100) Gravel Ridge Resources Ltd.	1
717969	2022-04-09	2025-04-09	$400	(100) Gravel Ridge Resources Ltd.	1
717970	2022-04-09	2026-04-09	$8,400	(100) Gravel Ridge Resources Ltd.	21
718151	2022-04-10	2025-04-10	$6,800	(100) Gravel Ridge Resources Ltd.	17
718165	2022-04-10	2025-04-10	$6,000	(100) Gravel Ridge Resources Ltd.	15
718166	2022-04-10	2025-04-10	$3,600	(100) Gravel Ridge Resources Ltd.	9
718171	2022-04-10	2025-04-10	$3,600	(100) Gravel Ridge Resources Ltd.	9
718531	2022-04-12	2025-04-12	$2,000	(100) Gravel Ridge Resources Ltd.	5
718532	2022-04-12	2025-04-12	$1,200	(100) Gravel Ridge Resources Ltd.	3
718533	2022-04-12	2025-04-12	$800	(100) Gravel Ridge Resources Ltd.	2
718534	2022-04-12	2025-04-12	$1,200	(100) Gravel Ridge Resources Ltd.	3
718538	2022-04-12	2026-04-12	$400	(100) Gravel Ridge Resources Ltd.	1
718539	2022-04-12	2025-04-12	$1,600	(100) Gravel Ridge Resources Ltd.	4
718553	2022-04-12	2026-04-09	$9,200	(100) Gravel Ridge Resources Ltd.	23
718554	2022-04-12	2025-04-09	$4,000	(100) Gravel Ridge Resources Ltd.	10
718764	2022-04-13	2025-04-13	$1,200	(100) Gravel Ridge Resources Ltd.	3
718784	2022-04-13	2025-04-13	$1,600	(100) Gravel Ridge Resources Ltd.	4
720162	2022-04-17	2025-04-17	$1,600	(100) Gravel Ridge Resources Ltd.	4
720177	2022-04-17	2025-04-17	$1,600	(100) Gravel Ridge Resources Ltd.	4
721435	2022-04-24	2025-04-24	$800	(100) Gravel Ridge Resources Ltd.	2
721440	2022-04-24	2025-04-24	$800	(100) Gravel Ridge Resources Ltd.	2
721441	2022-04-24	2025-04-24	$5,600	(100) Gravel Ridge Resources Ltd.	14
721442	2022-04-24	2025-04-24	$5,600	(100) Gravel Ridge Resources Ltd.	14
721452	2022-04-24	2025-04-24	$400	(100) Gravel Ridge Resources Ltd.	1
721560	2022-04-25	2025-04-25	$400	(100) Gravel Ridge Resources Ltd.	1
741009	2022-08-01	2025-08-01	$1,200	(100) Gravel Ridge Resources Ltd.	3
746611	2022-09-16	2025-09-16	$1,200	(100) Gravel Ridge Resources Ltd.	3
758077	2022-11-18	2025-11-18	$2,000	(100) Gravel Ridge Resources Ltd.	5
765050	2022-12-02	2025-12-02	$4,400	(100) Gravel Ridge Resources Ltd.	11
718167	2022-04-10	2025-04-10	$800	(99) PERRY VERN ENGLISH, (1) Gravel Ridge Resources Ltd.	2
718172	2022-04-10	2025-04-10	$1,600	(99) PERRY VERN ENGLISH, (1) Gravel Ridge Resources Ltd.	4
745026	2022-09-08	2025-09-08	$800	(99) PERRY VERN ENGLISH, (1) Gravel Ridge Resources Ltd.	2

Claim	Issue Date	Due Date	Work Required	Holder	# Cells
745027	2022-09-08	2025-09-08	$1,200	(99) PERRY VERN ENGLISH, (1) Gravel Ridge Resources Ltd.	3
745029	2022-09-08	2025-09-08	$1,200	(99) PERRY VERN ENGLISH, (1) Gravel Ridge Resources Ltd.	3

Note:
(1) This table has been updated to reflect the claims comprising the Property as of the date of this prospectus.

Nature of Issuer's Title

The Property consists entirely of mining claims. In northern Ontario, mining claims can be acquired by any person or entity, possessing a Prospector's License, on provincially owned Crown Land as well as land for which third party surface rights exist, subject to limits as per the Ontario Mining Act and to the discretion of the Provincial Mining Recorder and Minister for Northern Development and Mines. Possession of a mining claim confers upon the holder the exclusive right to explore for all minerals, which in the context of the Ontario Mining Act refers to base and precious metals, coal, salt and "quarry and pit material", but does not include unconsolidated aggregate material, peat or oil and gas. A mineral claim does not confer any surface rights; the holder of a claim is required to notify any surface rights holders and come to arrangements regarding such factors as access and surface disturbance. A mineral claim does not confer the right to mine minerals; this requires a mining lease.

Since 2018, mining claims in Ontario have been acquired by map-staking using the online MLAS system. Claims are typically 16 hectares in area and square in shape. Claims endure for two years and can be renewed following the filing of reports of exploration work meeting the required value for assessment credits. At the time of writing, this value is set at $400 per claim, an annual eligible work expenditure of $118,400 is required to keep the claims listed in Table 2 above in good standing.

For further information, the reader is directed to review the Ontario Mining Act and the publications of the Ministry of Northern Development and Mines.

Ownership Details

The claims are registered in the name of Gravel Ridge Resources Ltd. (40 out of 45) and Perry Vern English (5 out of 45). Perry Vern English holds his five claims in trust for 1544230 Ontario Inc.

According to the Property Option Agreement, the Issuer has been granted an option by the Optionors to acquire a 100% undivided interest in and to the Property claims, by:

- Making an initial payment of $24,000 to the Optionors;
- Making a $25,000 cash payment, which was made on May 4, 2022, and issuing 500,000 Common Shares in the Issuer to the Optionors on the Listing Date;
- Making a $30,000 cash payment on the first anniversary of the Listing Date;
- Making a $45,000 cash payment on the second anniversary of the Listing Date.

Further, the Issuer's tenure will be subject to a 2% production royalty owed to the Optionors, which can be reduced to 1% by way of a one-time payment to the Optionors of $1,000,000.

Payments and share issuances are to be divided equally between the two Optionors.

Environmental Liabilities

To the best of the Author's knowledge, there are no environmental liabilities which would affect the Issuer's title upon the Property or ability to perform work upon it.

Permits Required

An Exploration Permit is required should the holder wish to complete any mechanized or invasive exploration (including drilling, stripping, trenching, significant line cutting, and ground geophysical surveys requiring generators). To acquire an Exploration Permit, the holder must:

- Submit an Exploration Plan to the ENDM outlining the proposed work.
- Notify and consult with the Mississauga First Nation and any and all other First Nations or Metis groups who have Treaty rights or traditional land uses (e.g. hunting, trapping, fishing) in the areas in question, so as to avoid conflicts regarding exploration activities, traditional land uses and significant sites.
- Notify any surface rights holders of the intent to file an Exploration Plan.

Any anticipated or potential impacts to fish habitat must be approved at the federal level by the Department of Fisheries and Oceans (DFO) via the Fisheries Act. Liaison may also be required with the Ministry of Natural Resources, local conservation authorities and First Nations.

Bridges, culverts and winter ice roads for the mobilization of mechanized equipment across bodies or courses of water require Ministry of Natural Resources approval, regardless of the surface rights status. Approval may be acquired in the form of a work permit under the Public Lands Act ("PLA") or approvals under the Lakes and Rivers Improvement Act ("LRIA").

Any exploration or development work which requires the pumping of 50,000 litres or more of water per day must be approved by the Ministry of the Environment (MOE) via the Ontario Water Resources Act. If approved, the MOE will issue a Permit to Take Water.

Other Factors

The Property lies within the bounds of Treaty 9 between the Crown and the Anishinaabe and Omushkegowuk Cree and is in the traditional lands of the Mattagami, Flying Post and Brunswick House First Nations. The Author recommends that Horwood proactively engage with these First Nation communities so as to build trust and avoid conflicts regarding land use and disturbance.

Figure 1 Property location

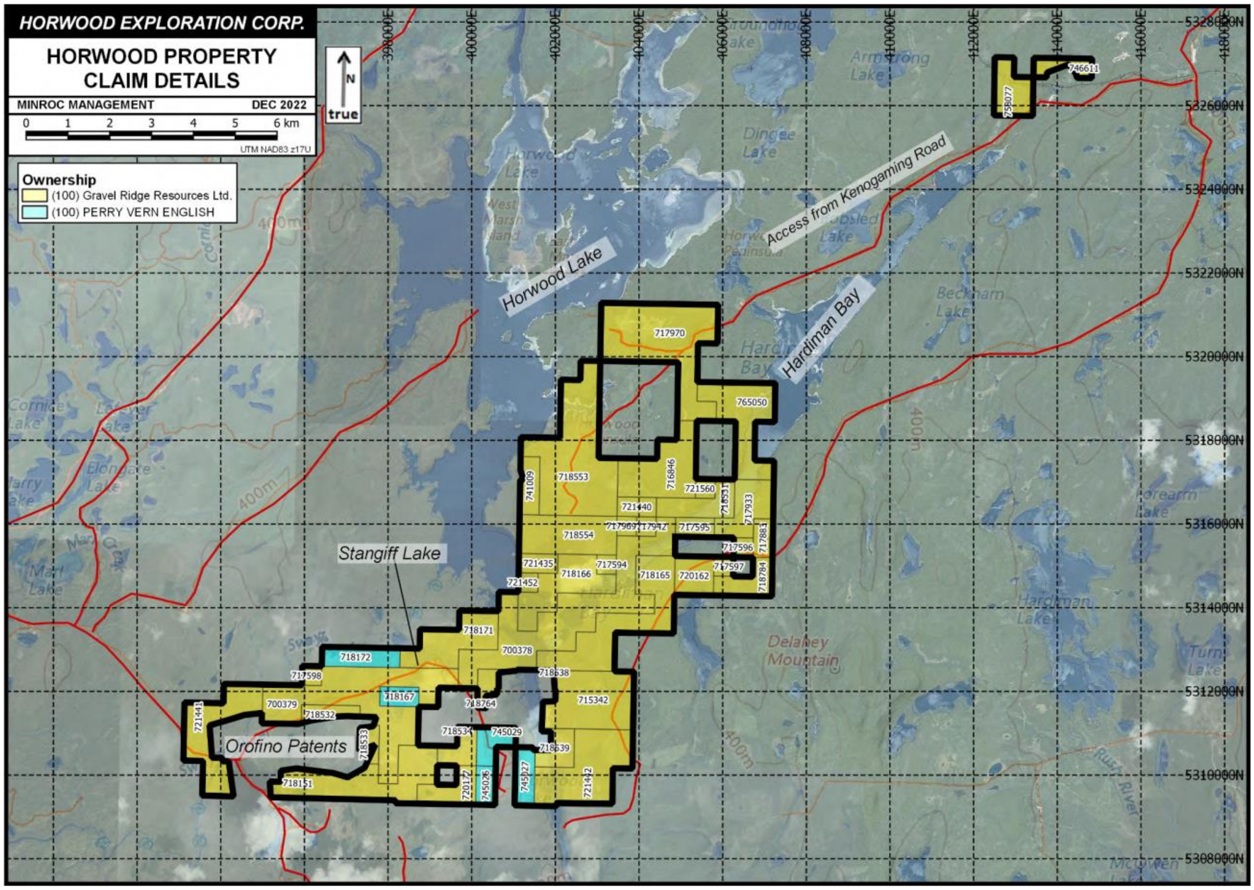


Figure 2 Claim details

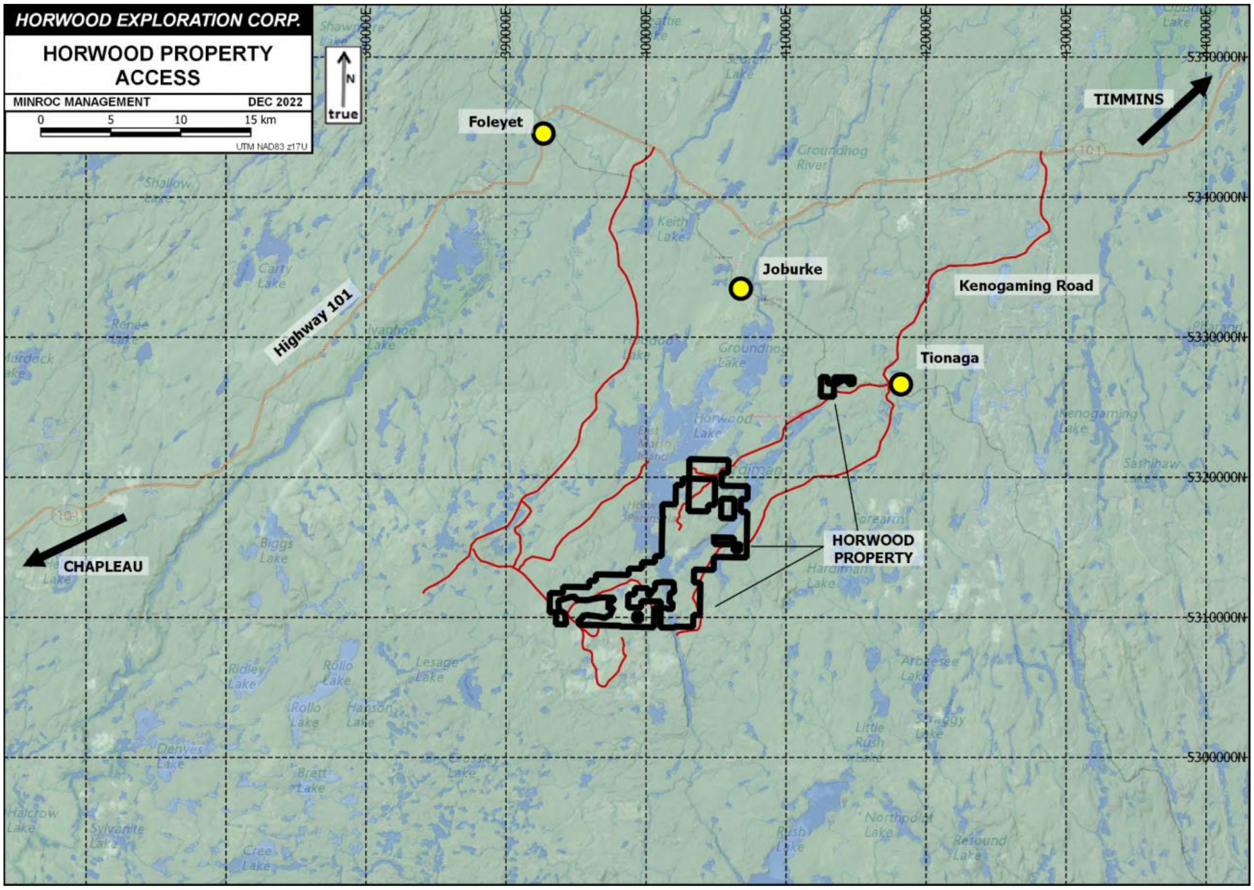


Figure 3 Access routes to the Horwood Property

Accessibility, Climate, Local Resources, Infrastructure & Physiography

Topography, Elevation and Vegetation

The landscape is a typical Northeastern Ontario continental forest environment. The Property overlaps the southern half of Horwood Lake and the southern part of Hardiman Bay, which splits from Horwood Lake in the centre of the Property. The largest lake entirely within the Property is Stangiff Lake in the southwest, with an area of about 30 Ha. The claims are heavily wooded, mostly with stands of spruce and fir. The forestry industry is active in the area and much of the Property area is in varying stages of regrowth. Elevation varies from 340 m to 400 m with several hills and ridges. The most prominent topographic feature is a northeast-striking scarp and trough outlining the eastern arm of Horwood Lake and the Hardiman Deformation Zone.

Water for drilling is readily available from ponds and lakes located within the claim block and from several creeks that cross the Property.

Accessibility

The northern portion of the Property can be reached by traveling southwest on Highway 101 from Timmins. The Kenogaming logging/rail access road runs south from Highway 101 at a point about 40 km east of Foleyet. This road provides access to the CN rail sidings at Tionaga and Joburke. At Tionaga a secondary road runs west and provides access to the northern part of the main body of the Property after about 10 km. One of the outlying portions of the Property (the two outlying claims 758077 and 746611) lie about 4 km along this road, west of Tionaga.

Access to the southwest part of the Property is via another logging road runs south from Highway 101 at a point about 9 km west of Foleyet. After about 35 km this road in turn gives access to a wider network of forestry roads which provide access to several parts of the Horwood Property.

Alternatively, Highway 616 (the Groundhog Lake Road) runs south from Highway 101 to the rail siding at Joburke and to camps on the north shore of Horwood Lake. From here, the Horwood claims can be reached by boat on Horwood Lake.

Proximity to Infrastructure

The closest major community is Timmins, which is about 90 km by air from the Property or about 120 km by road, with a population of approximately 45,000. The much smaller communities of Foleyet (population 200) and Chapleau (population 2,000) can also be reached by road. A CN rail line runs through Joburke and Tionaga, about 20 km north of the Property. Joburke and Tionaga are uninhabited save for seasonal fishing and hunting tourism. Electrical supply is available at Groundhog River where transmission lines run to the OPG dam at the head of Horwood Lake, about 12 km north of the Property. This installation manages waterflow for hydroelectric dams further downstream but is not a hydroelectric dam itself.

There are many fishing and hunting lodges in the area including on Horwood Lake, which can be used as accommodation during exploration programs. Timmins is one of the major mining hubs of Ontario and has an industrial base and workforce that is experienced with the mining and mineral exploration industries.

The Property is at an early stage of exploration. However, the Property area provides ample space for potential future surface rights required for mining operations, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, potential processing plant sites and other mining and development infrastructure. The Issuer must be granted a Mining Lease before mining or development infrastructure can be established on the Property.

Climate

The Property lies within Köppen climate zone Dfb (hemiboreal humid continental). Winters are cold and dry with typical midwinter lows of about -25° C and snowfall of about 300 cm. Summers are warm and wet but short, with temperature highs of 25° C and total rainfall of over 500 mm. The climate and terrain put some limits on exploration. The operating season can be considered year-round save for spring thaw and late autumn freeze-up periods. Biting insects can be a nuisance in the summer months.

History

Prior Ownership

The claims comprising the Property were map-staked by Gravel Ridge Resources Ltd. and Perry Vern English in 2022.

Cautionary Note

Most historic work programs only have partial overlap with the Property and no detailed compilation of historic data has yet taken place. The Author cautions that the following section discusses work programs which lie at least partly outside the Property.

Discussion of Work

(a) Regional Context

Exploration in the central Swayze Belt around the Property has been heavily focused on gold and has not been significant since the early 20th century. The first gold occurrences in Horwood Township were discovered by T Jessop in 1918 on Horwood Lake. The Orofino deposit, which lies just outside the Property, was first discovered in 1934 and explored most intensively in the late 1940s. The Smith-Thorne (or Tionaga) deposit was discovered and quickly brought into production in 1938-39.

About 15 km north of the Property, the Joburke deposit was discovered in 1946 and similarly rapidly developed underground. Production eventually took place intermittently under Noranda in the 1970s. There is some history of exploring for industrial minerals in the region, mostly focused on the Hardiman Deformation Zone. An area of ultramafics in the northeast of the present Property was explored for mineral filler (substitutes for asbestos) in the early 2000s. In the 1990s Roseval Silica Inc. quarried silica at three sites within quartz veins associated with the fault located approximately 1 km from the two outlying claims 746611 and 758077.

The exploration history of the Property is best outlined by dividing the Property into four main areas.

(b) History – Horwood Lake

The northern part of the Property covers parts of a peninsula within Horwood Lake, and adjacent areas. A dozen or so gold and molybdenum occurrences were discovered in and around this part of the Property throughout the 20th century, associated with the Horwood Peninsula Pluton. Until the 2000s exploration was piecemeal and took the form either of localized grassroots exploration by small junior companies or incidental coverage in the periphery of larger projects by larger companies whose main focus was elsewhere, e.g. the Hollinger and Northgate exploration programs which were focused at Orofino. Similarly, the Labbe gold prospect, which lies about 1 km northeast of the Property, was the focus of several grassroots programs which had some overlap with the Property.

In the 1980s Hardiman Bay Mines acquired claims around the shores of Hardiman Bay itself as well as to the east of the Smith-Thorne deposit. The Jacobs occurrence was discovered (or rediscovered) during this program, from which multisulphide-bearing quartz shear veins yielded assays up to 126 ppb Au (Lormand et al 1988). This occurrence is on the very edge of the Property. The Tarzan Gold prospecting program in the centre-west of the Horwood Peninsula led to the discovery of several minor Cu occurrences in the late 1980s. The MDI notes three "Robert" Au occurrences within the area worked by Tarzan Gold; according to the MDI entries these were discovered in the 1990s (after the Tarzan program) and were also worked by Echo Bay Mines, but the Author could not locate the relevant assessment files.

Denomme, Ross and Morin discovered the Denross occurrence in the 1990s in the northeast corner of the Property and optioned their claim block to Noranda, Phelps- Dodge and then to Haddington Resources who completed a ten-hole drill program. Drillholes directly beneath the showing failed to return appreciable Au values though hole H-95-7, about 350 m to the east, intercepted a quartz-carbonate vein within the HPP which returned 5,769 ppb Au over 0.35 m (Darke 1995).

JML Resources completed the first "property-scale" project in this area in the mid 2000s, with prospecting and a ground magnetic and IP survey covering much of the HPP's area, followed by an 11 DDH, 1,186 m drill program. The drill program results were underwhelming but were attempts to follow up on narrow, high grade Au prospects discovered on surface (Wood 2005). This was followed by similar drill programs, with similar results, by Amador Gold. Most of the Amador and JML work fell outside the Property and lie within a block of 3rd party claims (presently registered to Solstice Gold Corp.) which are surrounded by the Property on all sides. JML's "Zone 2" appears to be the same location as the Denross occurrence, and from which grab samples returned values up to 40.45 g/t Au (Darke 1995).

In the early 2000s Hedman Resources explored an ultramafic body close to Hardiman Bay and developed it for industrial minerals purposes.

Aside from the Hedman drill program, the work programs listed below only have partial overlap with the Horwood Property.

Table 3: Work History, Horwood Lake Area

Year	Company	Work	Desc	Reference
1933	F. Gould	Prospecting	Discovery of Deburmac prospect	-
1947	Laftonaine Group	DDH	3 DDH, 458 m	-
1948-59	J. Lefevre	DDH	4 DDH, 1,115 m	42B01SW8531
1951-64	Horlak Mines	-	-	-
1960	Kerr-Addison Mines	Mag survey, DDH	11 DDH, 1,261 m	42B01SE0069
1961	Ajax Minerals	Mapping, prospecting	-	41O16NW0036
1963	Queensway Mines	DDH	22 DDH, 1,348 m	-

Year	Company	Work	Desc	Reference
1972	R. G. Newman/Hollinger	Prospecting, DDH	1 DDH, 130.8 m	42B01SE0075
1974	Noranda	Mag & EM surveys	-	-
1980	Northgate	Mag, EM, soil, mapping, prospecting	-	-
1985	Ultrex Petroleum	Geophys, DDH	5 DDH, 531 m	4cB01SE0044
1988	Hardiman Bay Resources	Prospecting	Discovery of Jacobs occurrence	41O16NE0002
1989	Tarzan Gold	Mapping, prospecting	-	42B01SE0033
1993-94	Denomme & Ross	Prospecting	Discovery of Denross prospect	42B01SW0004
1994-95	Haddington Resources	Mapping, VLF, mag, IP, soil, DDH	10 DDH, 1,795 m	42B01SE0004, 42B01SE0065
1996-97	Patrie, Robert, Morin	Prospecting	Discovery of Robert West, Robert East, Robert 6515 Au occurrences	-
1996-2004	G. Ross	Prospecting, stripping	-	42B01SW0002
2003	Hedman Resources	VLF, mapping, DDH, mineralogy, some production (industrial minerals)	26 DDH, 1,720 m	20001765
2004-05	JML Resources	Prospecting, mag IP, DDH	11 DDH, 1,186 m	20001770
2009-10	Amador Gold	Ground and Airborne mag, EM, Prospecting, DDH	40 DDH, 7,261 m	20006555, 20008211

(c) History – Orofino

The Property surrounds the Orofino patents on three sides and so covers some of the peripheral areas of the Orofino exploration programs.

H Landry held a claim group south of Stangiff Lake in 1933 and discovered quartz veining with gold-bearing pyritic halos. This occurrence is entirely within the Property.

The initial Orofino discovery, by Burke, McIllory and Thorne, was optioned by Hollinger in 1935 and dropped in 1938. The original Orofino property covered about 480 Ha and still exists in the form of a block of patents which are enclosed by the Property on three sides. In 1945, Orofino Mines Ltd acquired the original patents as well as much of southern Horwood Township (including areas of the present Property). Numerous drill programs and underground development followed, hampered by forest fires which destroyed the headframe twice in 1949 and 1952. Limited drilling took place in the early 1960s and again under a Camflo option in the 1970s.

From this early period of Orofino work, some work at the western strike extension of the Orofino system fell within the Property, specifically two Orofino Mines DDH in 1947 and DDH 103 from the 1963 Orofino drill program. The OGS reports assays from one drillhole returning 0.7 g/t Au over 0.5 m (the McVittie occurrence, Fumerton & Wilson 2005).

Hardiman Bay Mines held the ground around Stangiff Lake in the 1960s and completed confirmatory sampling and a drill program on the Landry occurrence as well as other porphyry and diorite targets in 1963. A chip sample from the original Landry trench gave 13 g/t Au over 1.2 m. No assays are reported from the drilling (Smith 1963).

In 1979, Orofino entered into a JV with Northgate Exploration who pursued deposit- scale exploration at Orofino as well as property-scale reconnaissance magnetic and EM surveys, soil grids, prospecting and mapping. This work covered areas of the Property including the Stangiff Lake area and the Landry prospect. The work at Orofino culminated in a historic ore reserve calculation in 1984 (Atkins et al 1984) after which work appears to have stalled.

The area north of Orofino saw some attention from prospectors in the 1980s when a number of poorly documented Au-Cu occurrences were identified and stripped by Landers and Wdowczyk. At least some of these are within the Property. Earlier assay certificates are presented in an assessment file from a later Noranda option in 1991 and discuss grab assay results up to 0.018 oz/ton Au, 0.58 oz/ton Ag and 3.30% Cu (Wdowczyk 1982). In 1991, Noseworthy & Mortimer completed one DDH in this area using an OPAP grant; a mix of mafic-intermediate volcanics and feldspar porphyry were noted. Only 3 samples (NSV) were taken from the 172 m hole (Mortimer 1991). Amador Gold completed a 11-hole drill program across this broad region in 2010, with few notable results (Walmsley 2011).

Table 4: Work History, Orofino Area

Year	Company	Work	Desc	Reference
1933	H. Landry	Prospecting	Discovery of Landry prospect	-
1933	Burke, McIllroy, Throne	Prospecting	Discovery of Orofino deposit	-
1935	Hollinger	Trenching, channelling	-	-
1945-52	Orofino Mines	Stripping, DDH, underground development	Very limited overlap with Horwood Property	-
1963-64	Orofino Mines	DDH	One DDH within Horwood Property, McVittie occurrence drilled	41O16NW0066
1963	Hardiman Bay Mines	Mapping, DDH	Focused on Landry prospect	41O16NW0039, 41O16NW0041
1973-74	Camflo Mines	DDH	No DDH within Horwood Property	41O16NW0040
1979-85	Orofino/Northgate	DDH, Soil, VLF, prospecting	Some overlap with Horwood Property	41O16NW0023, 41O16NW0012, 41O16NW0016
1974	Noranda	Mag & EM surveys	-	-
1984-91	Landers & Wdowczyk/Noranda	Prospecting	Discovery of Wdowczyk occurrence/s	41O16NW0009, 41O16NW0022
1990-91	Mortimer & Noseworthy	DDH	1DDH, 172 m	41O16NW0006

2010	Amador Gold	DDH	11 DDH, 1,851 m (mostly within Horwood Property)	20009933

(d) History – Smith-Thorne

The Smith-Thorne mineralized system lies within patents which are outside the Property. The Property wraps around the Smith-Thorne patents to the north and east.

What became the Smith-Thorne deposit was originally discovered in 1933 by F and J Lefever (spelled Lefevre in some files) on the shore of Horwood Lake. In the 1930s the property passed hands to Hollinger and then to Tionaga Gold Mines. After limited production in 1938-39 the Lefevers retained the rights to the patents, which remained dormant until Orofino acquired them in the 1980s.

The Thorne occurrence – within the Property - was also discovered in the 1930s, at the southern tip of the Horwood Peninsula.

The Orofino-Northgate property covered part of the Smith-Thorne area (referred to as Project 782). Limited drilling of new discoveries took place such as the Gifford occurrence (Atkins et al 1984; outside the Property). Reconnaissance mapping, humus sampling and ground mag/VLF were completed north and east of the Smith-Thorne patents (i.e. partly within the Property and covering the Thorne occurrence). VLF conductors and minor Au-Zn soil anomalies were noted, running east- west through this area (the RPN, QUO, M and L grids; Weber et al 1981; Gilman 1985). Surface grab assay values were disappointing (Lormand et al 1988).

Following the wrapping-up of the Orofino-Northgate programs, Hardiman Bay Mines acquired claims around the Smith-Thorne deposit and to the northeast along the shores of Hardiman Bay itself. No notable findings were made in the Smith-Thorne area during their late 1980s programs.

The Thorne occurrence was visited by OGS geologists in 1991. Grab samples from this visit returned values up to 12 g/t Au (Wilson 2005).

(e) *History – Roseval Claims*

These two claims lie within an area which has been explored for industrial minerals, both silica from quartz veins and asbestos from serpentinized ultramafic units. Lake Shore Gold held a claim group to the immediate southwest in the 2000s and conducted reconnaissance sampling.

Resources, Reserves and Production

The Property is an early-stage exploration property. There are no current Mineral Resources or Reserves on the Property as defined in the Definition Standards on Mineral Resources and Mineral Reserves published by the Canadian Institute of Mines, Minerals and Petroleum (CIM), JORC or any equivalent international code.

The Author is unaware of any records of any past base or precious metals production from the Property. The Property has seen some industrial minerals production. Hedman Resources reports that, in 2001, 30,000 tonnes of serpentinite-talc material was pitted from an ultramafic body east of Hardiman Bay within claim 717933, for use as an asbestos substitute. 1,000 tonnes of this material was milled in Matheson, Ontario (Dumka & Guttenberg 2003).

Table 5 Work History, Smith-Thorne Area

Year	Company	Work	Desc	Reference
1928	J Lefevre	Prospecting	Discovery of Landry prospect	-
1935	Hollinger	Drilling, underground development	No DDH within Horwood Property	Breaks 1978
1938-39	Tionaga Gold Mines	Production	-	Breaks 1978

1984-85	Orofino/Northgate	DDH, Soil, VLF, prospecting	No DDH within Horwood Property	41O16NW0012, 41O16NW0016
1988	Hardiman Bay Resources	Prospecting	-	41O16NE0002
1989	Golden Dragon Resources	Prospecting	Golden Dragon Cu occurrence discovered	41O16NE0001
1991	OGS	Visit to Thorne		Siragusa 1991

Table 6 Work History, Roseval Area

Year	Company	Work	Desc	Reference
1957	Canadian Johns-Manville	Mapping, mag survey	Exploration for asbestos	42B01SE0020
1987	Roseval Silica Inc.	Trenching, boreholes	Very limited overlap	42B01SE0017
2001-02	Maskours Inc.	Trenching for silica	Very limited overlap	42B01SE2006
2005-07	Lake Shore Gold	Reconnaissance prospecting	No notable results	20000002268

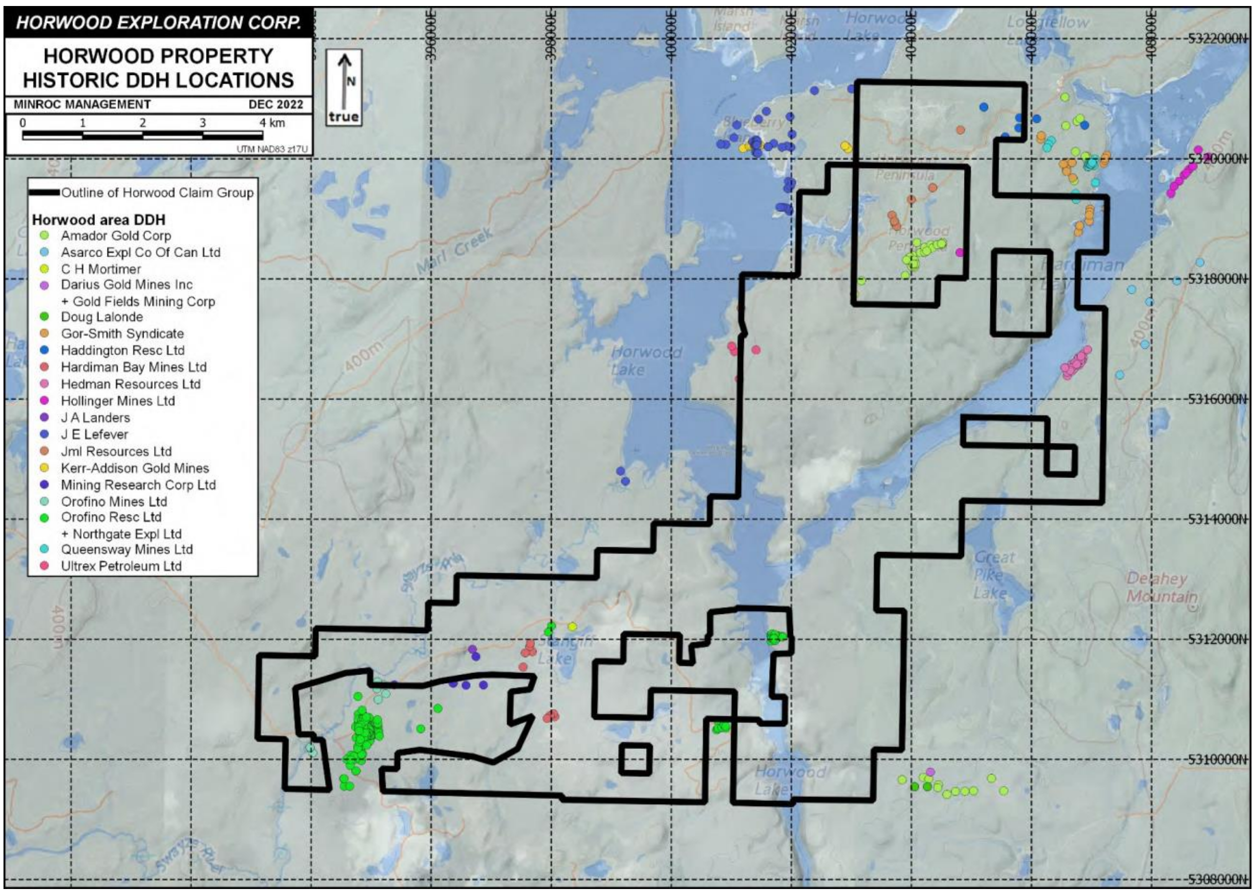


Figure 4 Location of drillholes from the ODD, in an around the Horwood Property (note: the two outlying claims at Roseval are not shown). The ODD does not include the Camflo DDH at Orofino.

Horwood Property Geological Setting and Mineralization

Regional and Local Geology

The Property lies within the southwest of the Abitibi Subprovince, part of the Superior Province, of the Canadian Shield. The Abitibi Subprovince consists, broadly, of a greenstone belts of late Archean-age, composed of mafic to felsic volcanics and sedimentary units, into which are intruded volumetrically significant syn-volcanic to late granitoid bodies. The Abitibi subprovince is divided into Northern and Southern Volcanic Zones by the Destor-Porcupine deformation zone based on geochronological data.

Mafic and ultramafic intrusives, and chemical sediments (iron formations) are commonly interlayered with volcanic edifices. On a regional scale, stratigraphic units generally oriented east-west with subvertical dip, are separated by crustal-scale deformation zones. The metamorphic grade is generally inside the lower greenschist environment but increasing to amphibolite grade in the vicinity of syn-tectonic granodiorite-tonalite batholiths.

Property Geology

The Property lies in the east-centre of the Swayze Greenstone Belt, a mafic dominated swath of volcanics bounded by TTG-type granitoidal masses. It is mostly underlain by a thick package of mafic flows, autobreccias, pillows and minor variolitic flows, striking broadly northeasterly with dips varying from subvertical to about 40° westerly, around Hardiman Bay Minor ultramafic and intermediate to felsic volcanic phases as well as interflow type sediments are present. Mafic tuff units noted in several drill programs in the area may represent shear deformation. Gabbroic sills and stocks post-date this volcano sedimentary cycle and are intruded into the package, particularly southwest of Horwood Lake and around Stangiff Lake, and with some amount of structural control exhibited by a north-northeast fabric. An elongated biotite granodiorite stock, the Horwood Peninsula Pluton, crosses the northern part of the Property with a northeasterly trend. In places it is internally sheared and carries the north-northeasterly foliation (Wood 2005). Its northern limb is in contact with one of the aforementioned gabbroic stocks. Darke (1995) mentions quartz diorite and dioritic quartz-porphyry units in this area which may represent phases of the HPP or separate sills. Conversely, Dadson (1980) lists "Quartz Diorite (metagabbro)" as a major lithology in the Orofino area hinting that the affinity of different intrusive units requires further study.

The Property lies south of the Destor-Porcupine Deformation Zone and is traversed by the Hardiman Deformation Zone (HDZ), which is interpreted as a secondary, regional-scale splay structure emanating from the Destor-Porcupine. This runs southwesterly through the main body of the Property. Serpentinized ultramafic units are noted close to the fault (Breaks 1978) and their presence is likely the cause of the preferred route taken by ductile deformation. To the northeast of the Property, the HDZ hosts sizeable quartz veins which have been quarried for silica. A Proterozoic (Abitibi swarm) diabase dyke parallels the HDZ, about 1500m to its north. Minor Matachewan (north-trending) diabase dykes are also noted in the area (Laird 1935).

Significant folding has been interpreted from magnetic data by some past workers (Hartley 2010) and isoclinal folds are mentioned in the Swayze belt generally (Weber et al 1981) and southeast of Hardiman Bay specifically (Lormand et al 1988), but structure is yet to be mapped in detail across the whole Property area. Darke (1995) notes that strain-domained shearing patterns cross-cut stratigraphy at the Denross occurrence. It is possible that the two main foliations visible from property/township-scale data (the northeast, and north-northeast fabrics) may have a C-S shear relationship.

Most Archean units are regionally metamorphosed to greenschist grade.

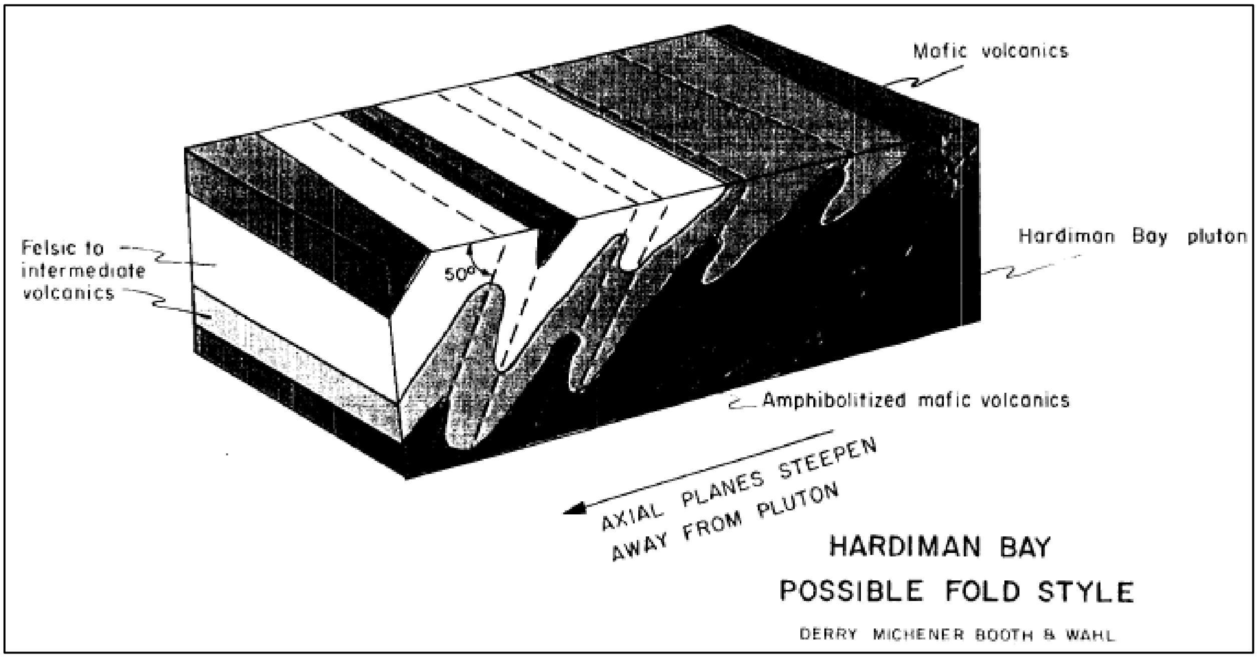


Figure 5 Schematic structural interpretation for the Hardiman Bay area, from Lormand et all 1988

Mineralization

(a) Cautionary Note

Most historic work programs only have partial overlap with the Property. Furthermore, the gold mineralization that does exist within the Property is rarely described to any great degree of accuracy in historic reports and no detailed compilation of historic data has yet taken place. At present it is not precisely clear how the property boundary interacts with mineralization in the area. The Author cautions that the following section discusses gold-mineralized systems which may lie at least partly outside the Property. Furthermore, exploration is at too early a stage for definitive statements regarding width, depth and strike extent, grade and tenor of gold mineralization to be made.

(b) Gold and Base Metals Mineralization in and around the Horwood Property

Most of the gold mineralization in and around the Property takes the form of quartz-carbonate vein-hosted or vein-associated sulphides within gabbros, intermediate-felsic intrusives and mafic volcanics, proximal to or within ductile-deformed zones, which themselves are mostly controlled by lithologic contacts and the presence of ultramafic zones within the volcanics. Pyrite is the dominant sulphide, found as disseminations, stringers and clots, and is typically found alongside minor chalcopyrite and occasional pyrrhotite and sphalerite. Alteration commonly mentioned includes silicification and sericite and/or muscovite in and around the deformation zones (Siragusa 1991, Hartley 2010). Fuchsite is mentioned in spinifex komatiite units (Walmsley 2011). Coarse/native gold was noted at the "Robert Sample 6515" occurrence (Draper 1997).

Gold, gold-copper, zinc and molybdenum mineralization can be found in and around the Horwood Peninsula Pluton, only partly within the Horwood Property. Gold is found as shear-hosted narrow pyrite disseminations and vein-type mineralization in the mafic wallrocks surrounding the porphyry stock as well as inside it (Darke 1995). Wood (2005) further reports "carbonate-silica-pyrite rich horizons" within the HPP. It is suggested that gold mineralization may prefer the porphyritic phases of the pluton. Hartley (2009) discusses Au zones traced by DDH within a gabbro along the southern limb of the HPP which have a relatively shallow, 20-30° dip to the northwest.

At the Orofino deposit, outside the Property, two stages of sulphidation were noted. The first consists of quartz nodules and stringers within quartz veins in gabbro stocks as well as within the mass of the gabbro itself, and can return gold grades up to 4,870 ppb Au (Siragusa 1991). This mineralization predates the emplacement of intermediate-felsic porphyry bodies. It is possible that this mineralization is not veinrelated but is simply replacing carbonate emplaced within the gabbro as well as within vein fractures. The second mineralization event emplaced fine pyrite disseminations within the porphyry units.

(c) Industrial Minerals

The Property may also host industrial minerals in potentially economically viable amounts, particularly in the vicinity of the Hardiman Deformation Zone. The Hedman Resources program explored, and test-pitted, a talc-serpentine ultramafic body for the production of mineral filler (Dumka & von Guttenberg 2003) from a location on claim 717933. Historically, quartz vein systems were pitted for silica to the north east of the Property, near the Tionaga rail siding. Maskours Inc. report quartz veins, parallel to the HDZ, with thickness "from 23 to 65 feet for a length of 2,479 feet" (Jensen 2002) ‑ this is within 500 m of claim 746611.

Table 7 Mineralized locations from the Property as listed in the MDI

Occurrence	Geology	Mineralization	Assays	Ref
A. H. Smith	Mafic volcs & granodiorite	Diss py close to tension veins around contact	Diss py close to tension veins around contact	MDI
Deburmac	sheared mafic volcs, sericitised	shear-controlled qz vein braids with diss py	0.4 oz/ton Au over 3.5 ft (chip channel)	41O16NE0001
Denross	pillowed basalt / quartz diorite contact	narrow sulphidic shears	1.22 oz/ton Au, 0.27% Cu (grabs)	42B01SE0065
Golden Dragon	Int/fels volcs	Pyrite stringers	253 ppm Cu	41O16NE0001
Gould-Dunn	"schist"	Pyrite	?	MDI
Jacobs	Mafic volcs	Qz tension gash sets perp to granite contact. Diss py	Qz tension gash sets perp to granite contact. Diss py	41O16NE0002
Landers	Mafic volcs (amygdoloidal)	diss py	0.1 g/t Au	MDI
Landry	Maf volcs/diorite contact	Pyritic qz veins	13 g/t Au over 1.2 m (chip channel)	MDI
Lefevre	Mafic volcs and "tuffs" (sheared?)	py-po-cpy-sph stringers	9.2 g/t Au, 1.87% Cu (grabs)	MDI
McVittie	Sheared diorite, porphyry	qz vein set with py	0.7 g/t Au over 0.5 m	MDI
P. H. Silams	sheared mafic volcs	carb-ser-chl-py schist	3 g/t Au (grab)	MDI
Robert East Shear	sheared mafic volcs	1% py, cpy, po (disseminated?)	1.034 g/t Au over 1 m (chip channel)	MDI
Robert Sample 6515	Granodiorite	py, coarse Au in qz-ca stringers	5.3 oz/ton Au (grab)	MDI
Robert West Shear	"quartz carbonate shear zone"	diss py, minor cpy	0.061 oz/ton Au (grab)	MDI
Thorne	sheared mafic volcs	Au in qz veins	12 g/t Au (grab)	Siragusa 1991
Ultrex HW-85-1	Mafic volcs	po-py-cpy lenses	0.82 g/t Au, 0.8% Cu (grabs)	MDI
Wdowczyk	Mafic volcs	Pyritic qz stkwk	0.018 oz/ton Au, 0.58 oz/ton Ag, 3.30% Cu	41O16NW0022

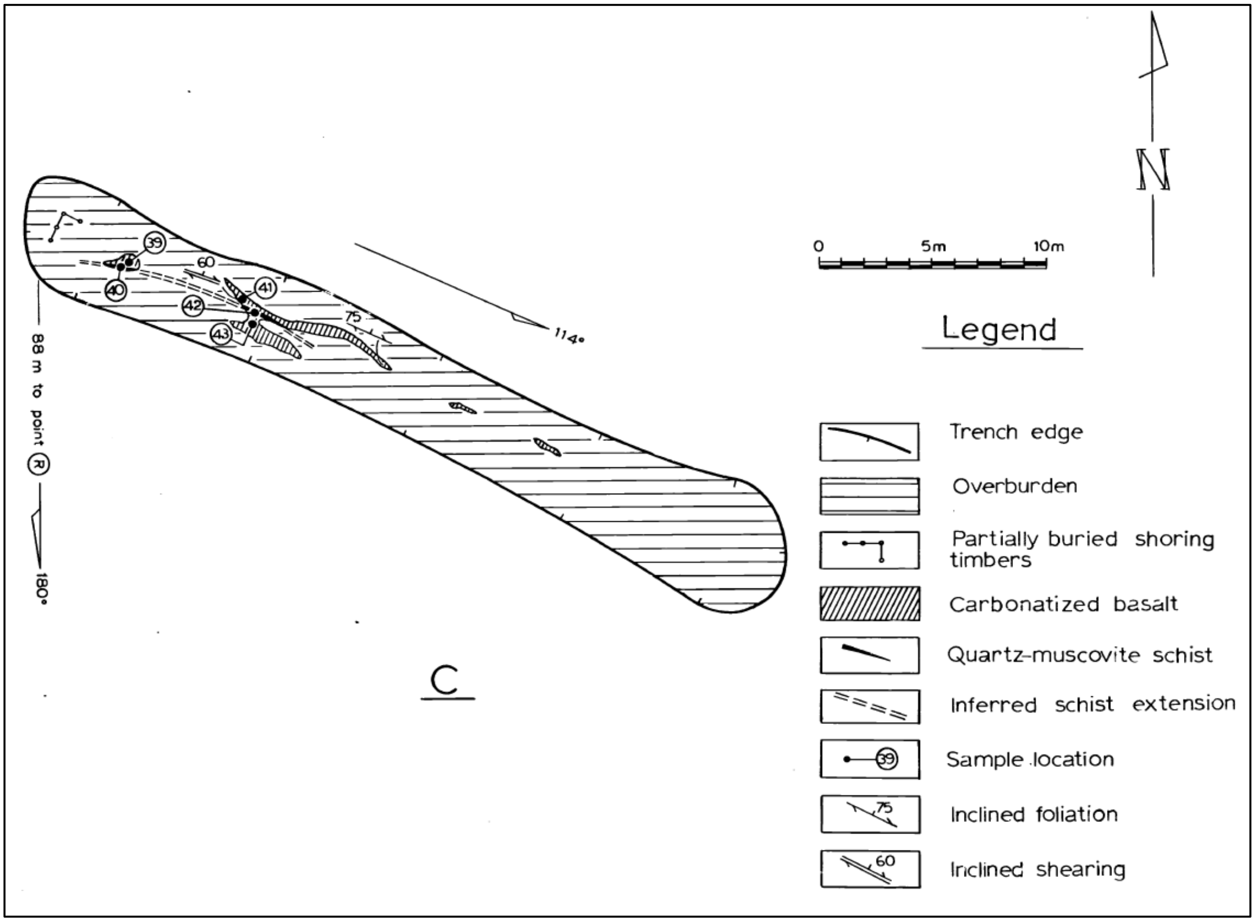


Figure 6 Detail of a trench at the Thorne occurrence/visited by the OGS, from Siragusa (1991)

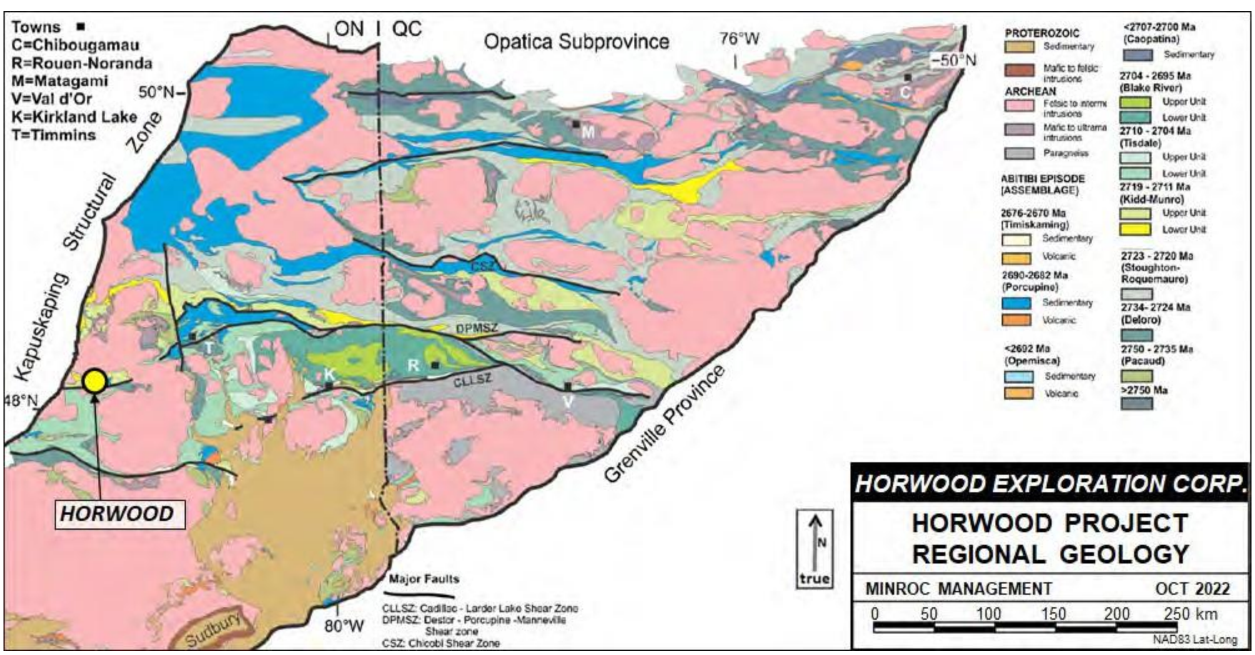


Figure 7 Location of Horwood Property in the Abitibi Subprovince

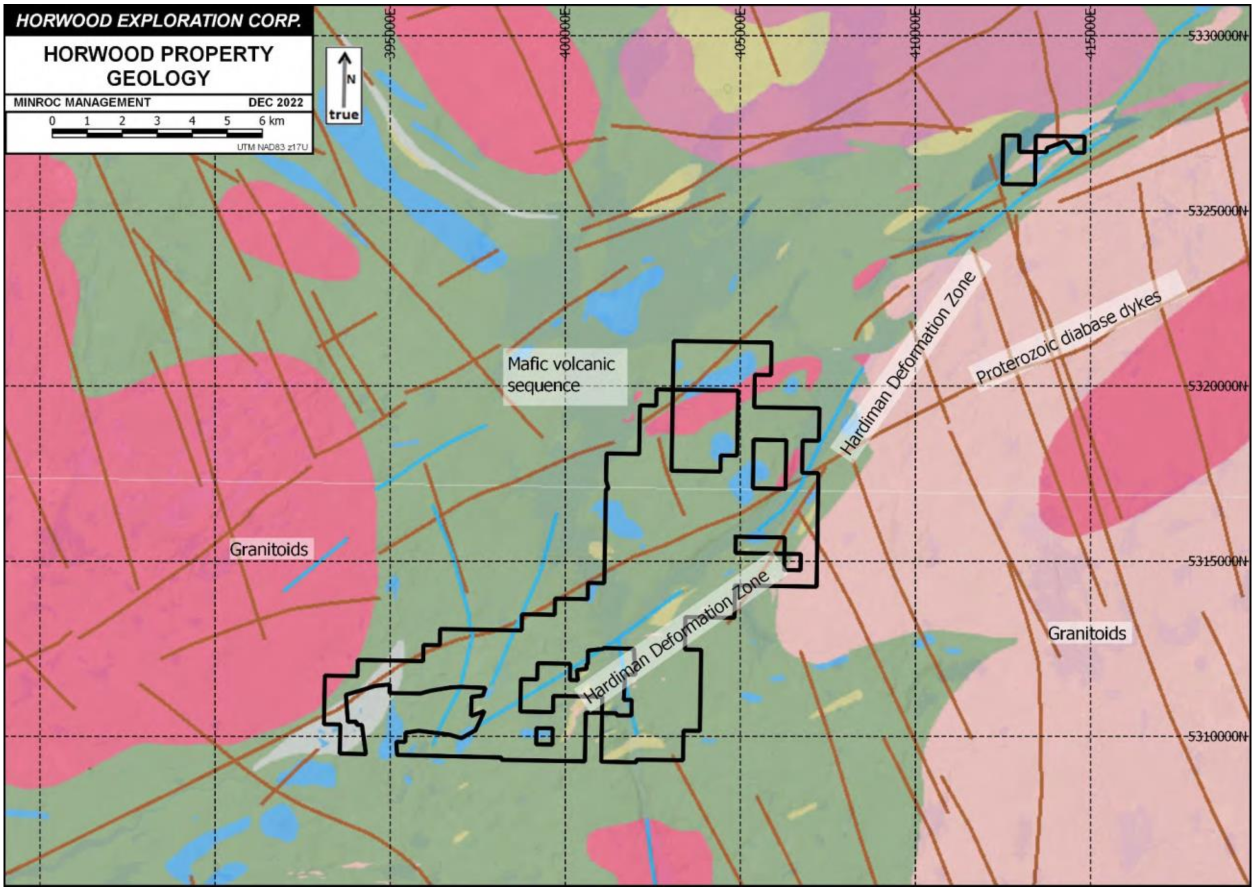


Figure 8 Property geology. Using data from OGS

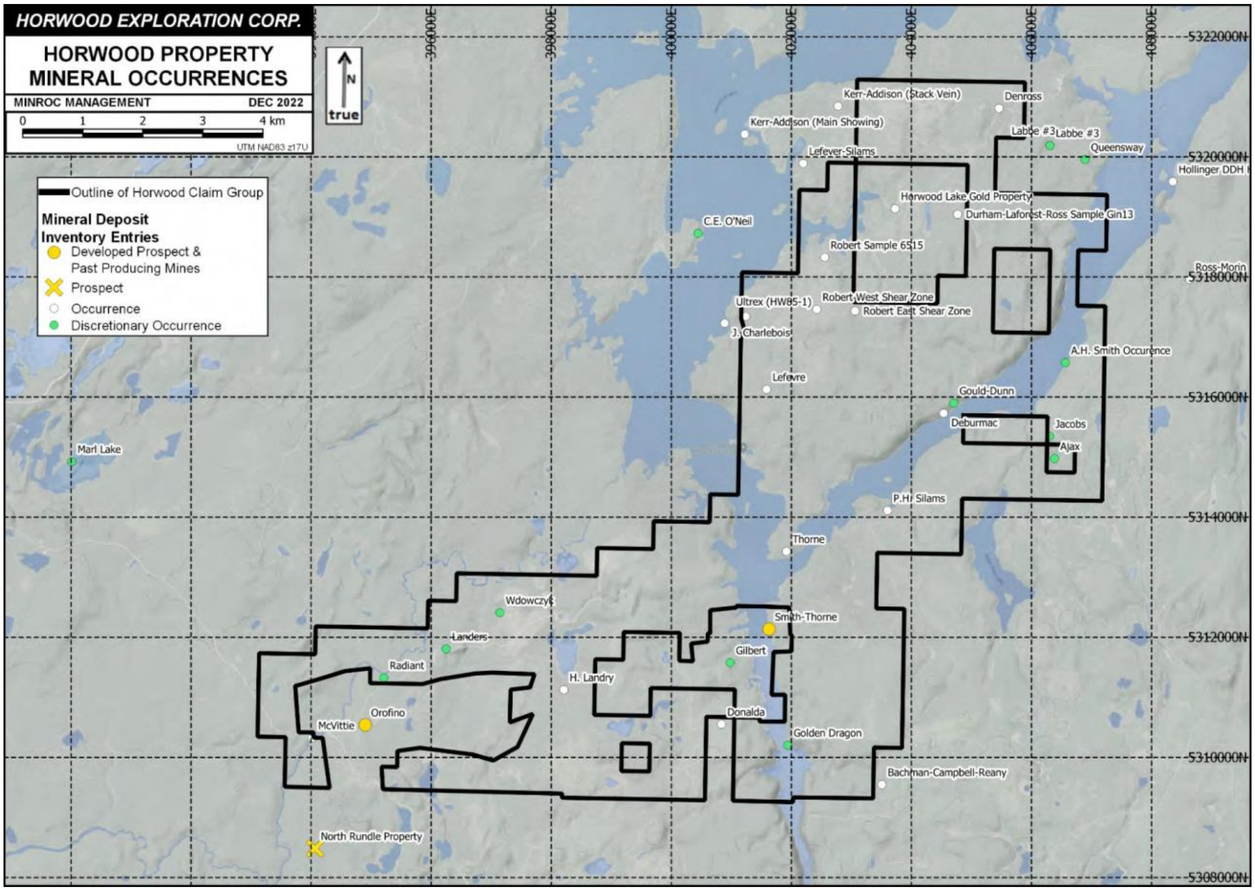


Figure 9 Locations of mineral occurrences in and around the Horwood Property (note: the two outlying claims at Roseval are not shown)

Deposit Types

Orogenic Gold

Orogenic gold, or greenstone-hosted gold deposits, generally consist of a system of auriferous quartz-carbonate veins, which have a strong spatial association with crustalscale shear zones with mixed brittle-ductile expression. Further, there is commonly an association with second-order fault structures, sedimentary unconformity, locally including iron formations. Minor intrusions such as porphyritic intermediate dykes and alkaline magmatic events.

Orogenic gold deposits are particularly common in Archean-age greenstone belts. The shear zone is generally theorized to act as a pathway for hydrothermal fluids. These fluids are then emplaced as veins in dilated portions of ductile-deformed units, in brecciated portions of more brittle units, and/or on the contacts of units which may act as chemical traps, such as iron formations. Orogenic gold deposits can have highly complex geometries due to continued tectonic activity on the shear zone after the emplacement of the mineralized veins.

In the Abitibi, gold mineralization frequently manifests as a mix of coarse and fine refractory gold, associated with sulphides, most commonly pyrite, chalcopyrite and arsenopyrite. Commonly associated alteration minerals include chlorite, sericite and carbonates.

The Abitibi belt is home to many world-class orogenic gold deposits including the Dome and Hollinger mines at Timmins, Ontario; Macassa at Kirkland Lake, Ontario and Sigma-Lamaque at Val-d'Or, Quebec.

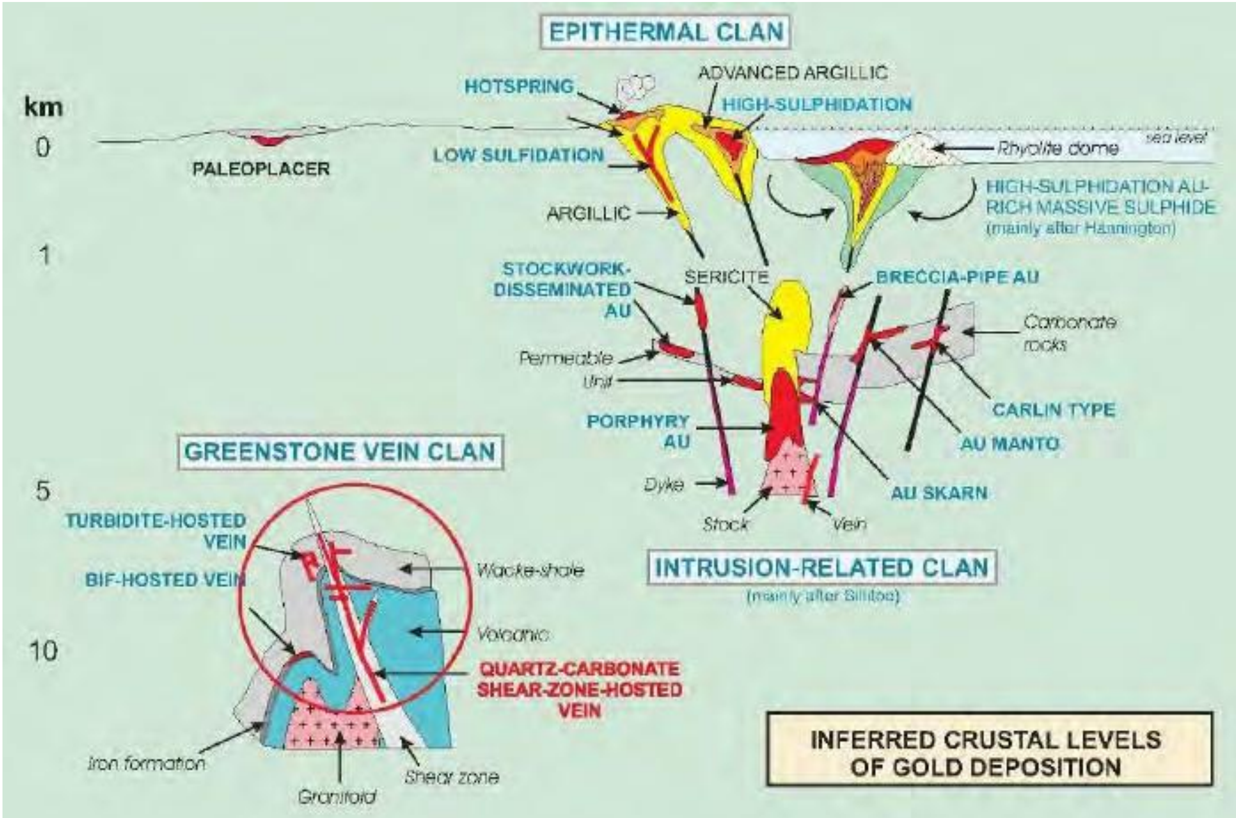


Figure 10 Styles of lode gold deposits, including the Orogenic "Greenstone" Type, from Dube et al 2001

Exploration

Rationale and Logistics

A heliborne high-resolution magnetic survey was flown over the Property by Prospectair Geosurveys from October 27th to November 1st, 2022. The work was completed on behalf of HEC. The survey was flown on a grid with 50 m spacing and 500 m spaced control lines, with the main lines following an azimuth of 70°. The grid totals 1,291 line kms and covers the main Horwood claim block and its environs. The northeastern two claims at Roseval were not covered.

Twelve flights were required to complete the grid. A Robinson R-44 was used for the flights. Timmins airport was used as a base of operations.

A Geometrics G-822A magnetometer was used, mounted on a bird towed 19 m below the helicopter and at an altitude of 22 m. A GEM GSM-19 base station was established close to the property in a magnetically quiet area. Magnetic data was recorded at 10 Hz.

Magnetic data was levelled against altitude variations and diurnal variations from the base station magnetometer.

Plots were made of:

(a) total magnetic intensity (TMI);

(b) the first and second vertical gradients of the total field;

(c) the residual total field (representing the difference between the TMI dataset and the International Geomagnetic Reference Field);

(d) the tilt derivative (the arctan angle between the horizontal and vertical gradients); and

(e) elevation data.

Results

The magnetic datasets show a strong imprint from Proterozoic dykes including the Abitibi swarm dyke that runs east-northeast through the Property area. Other, north-northwest linear features may represent Matachewan dykes. More subtle linear features may represent stratigraphy in the volcanic sequence. Areas of greater magnetic relief may represent intrusive stocks.

No detailed interpretation of the magnetic data has yet taken place. The Author suggests that, as part of an interpretation, it may be worth attempting to remove the signature of the dyke swarms in order to focus on the magnetic signals from the country rocks which are the target hosts for gold mineralization.

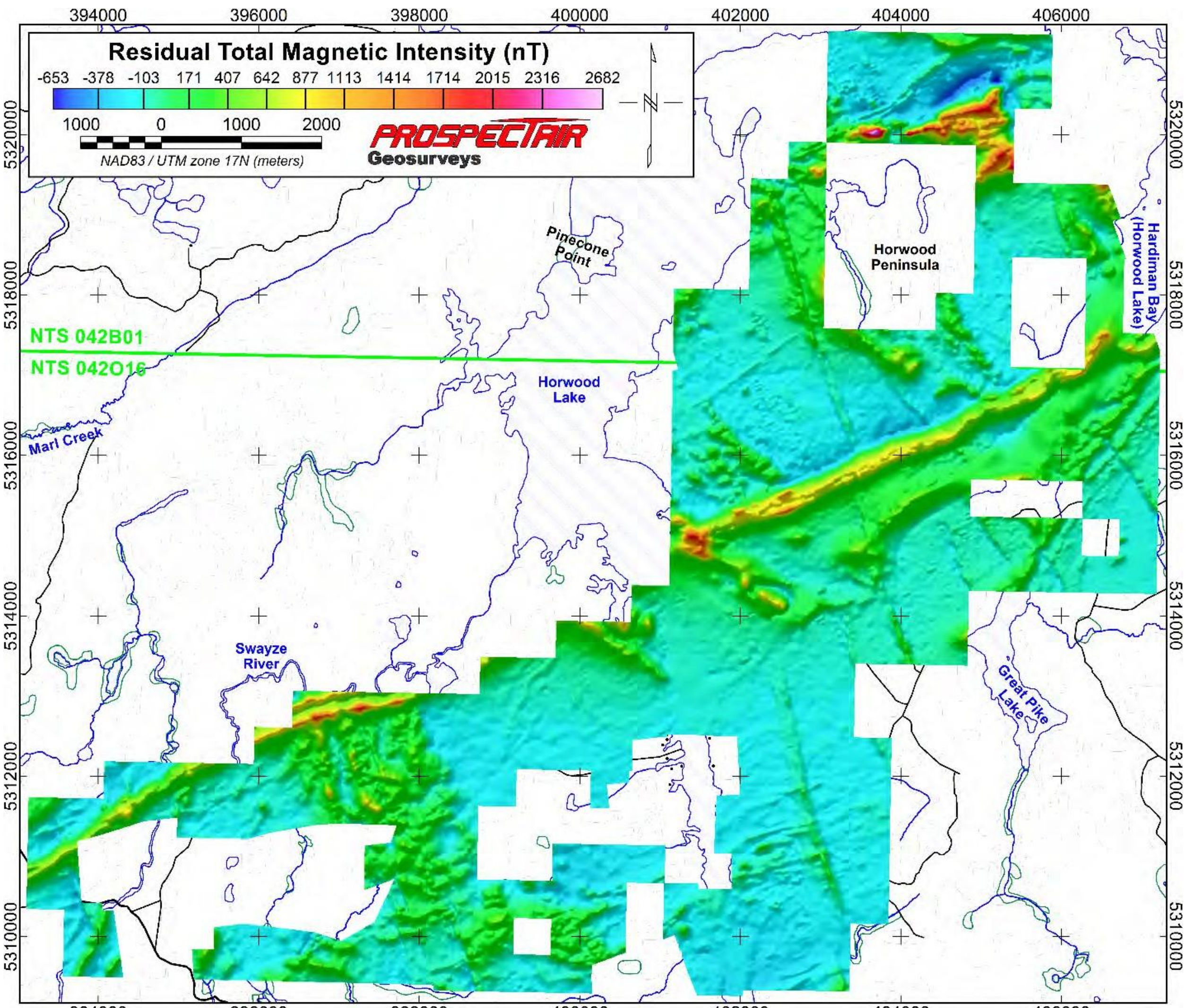


Figure 11 Residual total magnetic field

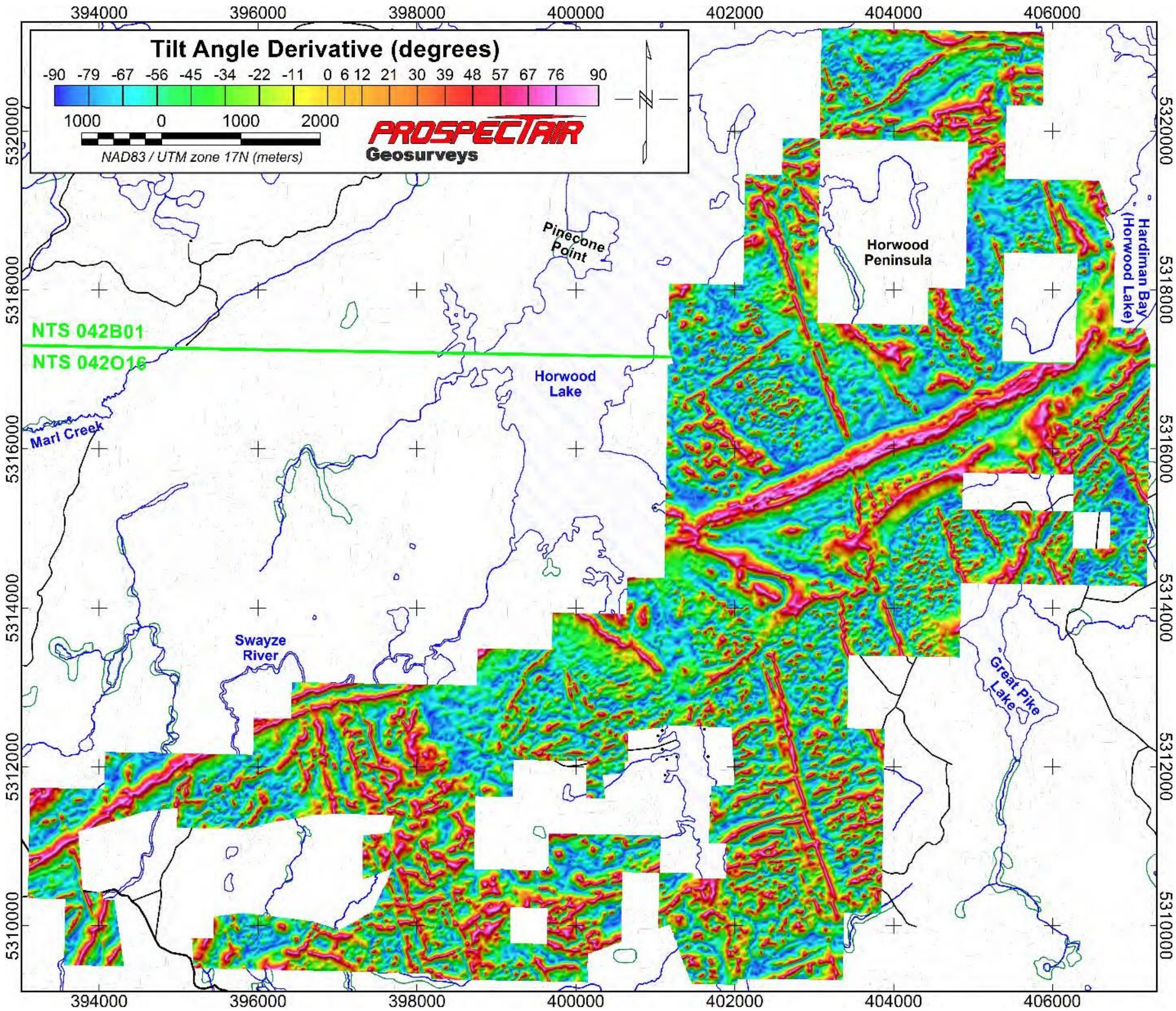


Figure 12 Tilt derivative

Drilling

As of the effective date of the Technical Report, the Issuer has not completed any drilling on the Property. Historic drilling is discussed under "History" above.

Sampling Preparation, Analyses and Security

This section discusses the samples taken in a site visit by Minroc Management Limited ("Minroc").

Five grab samples were taken during the visit. The Author and Sahil Alurkar, GIT, both of Minroc, performed the sampling. The Minroc samples were taken in the field using hand tools and sealed inside plastic bags alongside a unique identifying tag and recorded in field notes alongside UTM coordinates taken with a handheld GPS, according to standard best field practices. The samples were stored securely before being delivered by Minroc personnel to ALS Laboratories (ALS) in Sudbury, Ontario for sample preparation. Sample analysis was then completed by ALS Minerals in their North Vancouver geochemical laboratory in British Columbia.

At ALS, the samples were crushed to 70% passing a 2 mm mesh and riffle-split, after which one split is pulverized to 85% passing a 75 μm mesh. The unpulverized split (the reject) were retained while the pulverized split (the pulp) were assayed by "ME-MS61" four-acid digestion with ICP-MS analysis for a suite of 51 elements as well as "PGMMS23L" gold and platinum group element fire assay on a 30 g sub-sample.

ALS ran a QA/QC regime internally alongside the sample assays, including six Standards (TAZ-20, GPP-03, OREAS 920, EMOG-17, SP 116 and OREAS 681) and four Blanks. All results were reviewed against the published values by the Author and are considered satisfactory and sufficient for the purposes of the Technical Report. ALS facilities conform to the requirements of the ISO/IEC 17025 Standard (General requirements for the competence of testing and calibration laboratories), and regularly take part in proficiency testing. Further, ALS facilities conform to CAN-P-1579 (Mineral Analysis/Geological Tests) as set out by the Standards Council of Canada. ALS is independent of the Issuer, the Author and all other interested parties.

Data Verification

Site Visit

The Denross gold occurrence on the Property was visited by the Author and Sahil Alurkar, GIT, on 4th November 2022. The Property was accessed using the Kenogaming Road. Five grab samples were taken from the main Denross stripped area, described below. All samples are within claim 717970. All samples returned elevated Au values up to a high of 6.01 g/t Au (A249586) from a gossanized, albitized volcanic unit, close to a historic channel sample. These samples confirm the presence of gold mineralization on the Property at the Denross occurrence.

Table 8 Sample from Minroc Site Visit

Sample	UTM E	UTM N	Description	Au ppb	Cu ppm
A249586	405460	5320794	Denross showing V4 albitized, mod to strong ab, rust , 5- 10% py , possible po, cpy , rusty. Old channel cut into it	6010	1065
A249587	405458	5320803	Denross showing Syenodiorite , white/ buff coloured, ~NW-SE intrusion into surrounding ultramafics/mafics	64	87.1
A249588	405468	5320815	Denross showing Diabase or mafic volcanic , fine grained , rusty, 5 % py, possibly some cpy	217	1770
A249589	405470	5320815	Denross showing Diabase as A249588, but no visible sulphide	35	619
A249590	405472	5320811	Diabase but strongly altered , coarse greenish grey acicular needles(chlorite?) . Vuggy overall with adularia or other clays in vugs. 1-3% py	54	1360

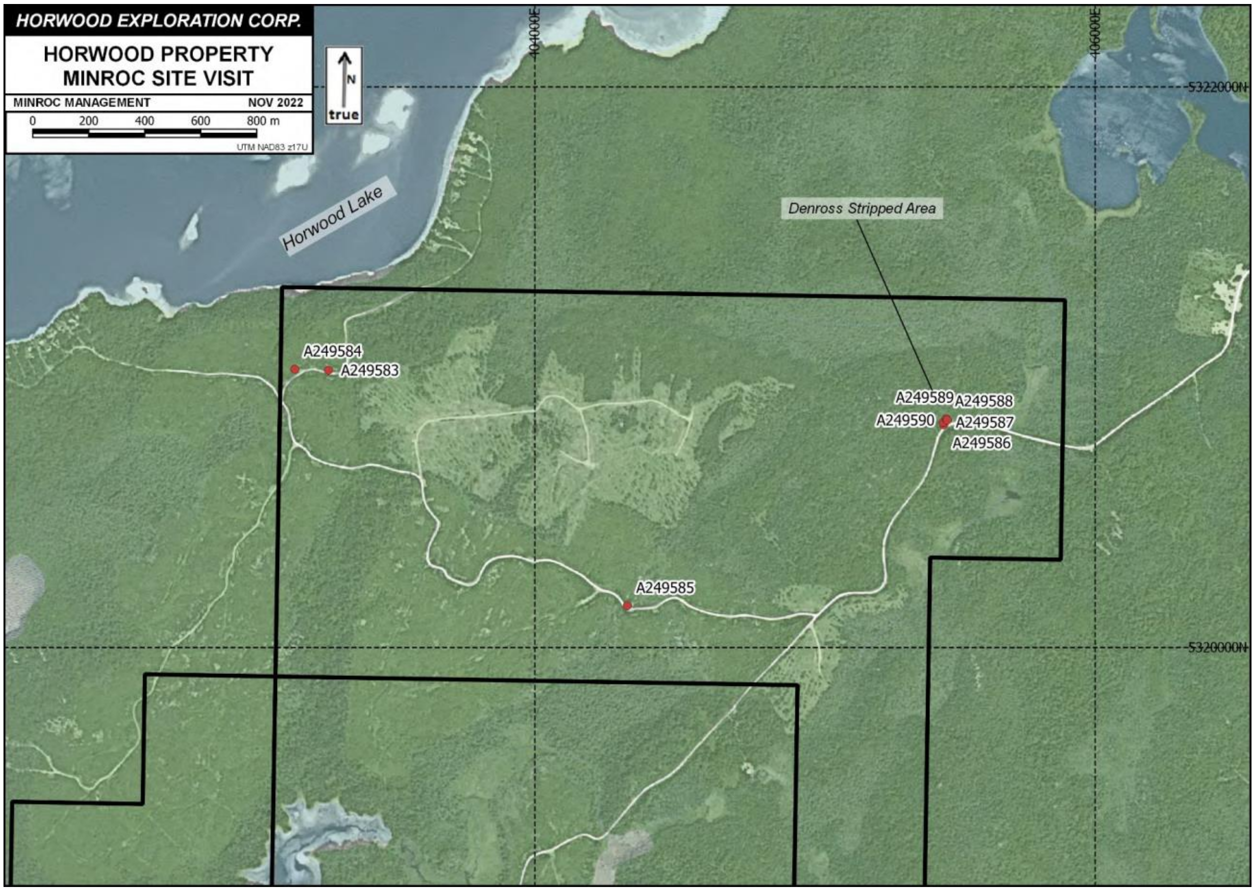


Figure 13 Locations of confirmatory Minroc Samples

Data Review

The Author has reviewed the assessment files pertaining to previous exploration programs that overlapped with the Property. The historic work programs appear to have been completed according to industry standards at the time and the Author believes that the exploration information contained therein is sufficiently reliable for the purposes of the Technical Report.

The Author cautions that significant compilation work must be undertaken before it can be confirmed exactly which historic work programs took place within the Property boundary and that, given the age and quality of some maps contained in some assessment files, it may not be possible to geolocate some features (e.g. historic DDH, surface samples) to better than 100 m accuracy. While the historic dataset is of great value as a guide for future exploration, the Issuer should treat it in this respect only.

Mineral Processing and Metallurgical Testing

The Author is not aware of any mineral processing or metallurgical testing having been completed on any material from the Property.

Mineral Resource Estimates

To date, no mineral resource estimates, as defined in the CIM Definition Standards, or any equivalent international code, have been filed on any mineral occurrences within the Property.

Adjacent Properties

The Author has included information regarding any adjacent properties in order to provide the geological context of the Horwood Property. Information below regarding adjacent properties is not necessarily indicative of the mineralization which is or may be present within the Horwood Property. This information has been taken from public sources.

Horwood Property. Horwood Peninsula Property – Solstice Gold

Solstice Gold's Horwood Peninsula Property is surrounded by the Property on all sides. Solstice Gold's claim group covers the majority of the area explored by JML and Amador Gold in the 1990s-2000s. Gold mineralization is controlled by shears and shear-hosted veins close to the contacts between the Horwood Peninsula Pluton (a felsic stock) and its mafic volcanic and gabbro wall rocks. Grab samples from within the HPP returned assays up to 39.47 g/t Au (Darke 1995). JML and Amador outlined three zones along the southern limb of the HPP termed the Bend Zone, Massive Sulphide Zone and Gabbro Zone. Drillhole intervals from these zones "typically average 1 to 5 g/t gold over widths of 0.5 to 2.0 metres" (Hartley 2009).

Orofino Patents

The Property surrounds the Orofino patents on three sides. The Orofino patents cover the Orofino gold deposit. Mineralization at Orofino is contained within six diorite-hosted quartz vein sets, a "Replacement Zone" of disseminated mineralization and a mineralized fault zone.

The mineralized system was first discovered in the 1930s and was subject to underground development in the late 1940s. Intensive exploration in the early 1980s by Northgate led to a historic, non-compliant "mineral inventory" which was calculated in 1984 of 1.6 million short tons at a grade of 0.14 oz/ton Au (Atkins et al 1984). This was subdivided into "proven ore" and "probable ore" using a cutoff grade of 0.10 oz/ton Au, a minimum true width of 7ft and maximum search radii of 20ft and 25ft respectively. Dilution was introduced to accommodate for the presence of minor dykes.

It must be clarified that this historical estimate pre-dates the CIM guidelines and cannot be relied upon. Insufficient work has been done by any Qualified Persons and this historical estimate cannot be considered a current mineral resource or reserve. It is not clear if this historical estimate uses categories which are equivalent to those defined in the CIM guidelines. This information is included for context only.

Very little work has taken place since the Historical Estimate was calculated. The Orofino Patents were operated by Tamaka Gold in the 2010s and appear to be held by one of the former directors of Tamaka.

Smith-Thorne Patents

The Smith-Thorne Patents cover the past-producing Smith-Thorne (Tionaga) gold mine. Vein-hosted gold mineralization was initially discovered in the 1930s where a 76 cm wide vein was exposed across 18 m of strike. Tionaga Gold Mines operated the mine in 1938-39. During that period, 6,653 tons were milled yielding 2,299 oz Au and 404 oz Ag (Miller 1978). Limited exploration took place in the 1980s but otherwise the Smith-Thorne Patents have effectively lain dormant. The Author could not identify the current owners of the Smith-Thorne Patents.

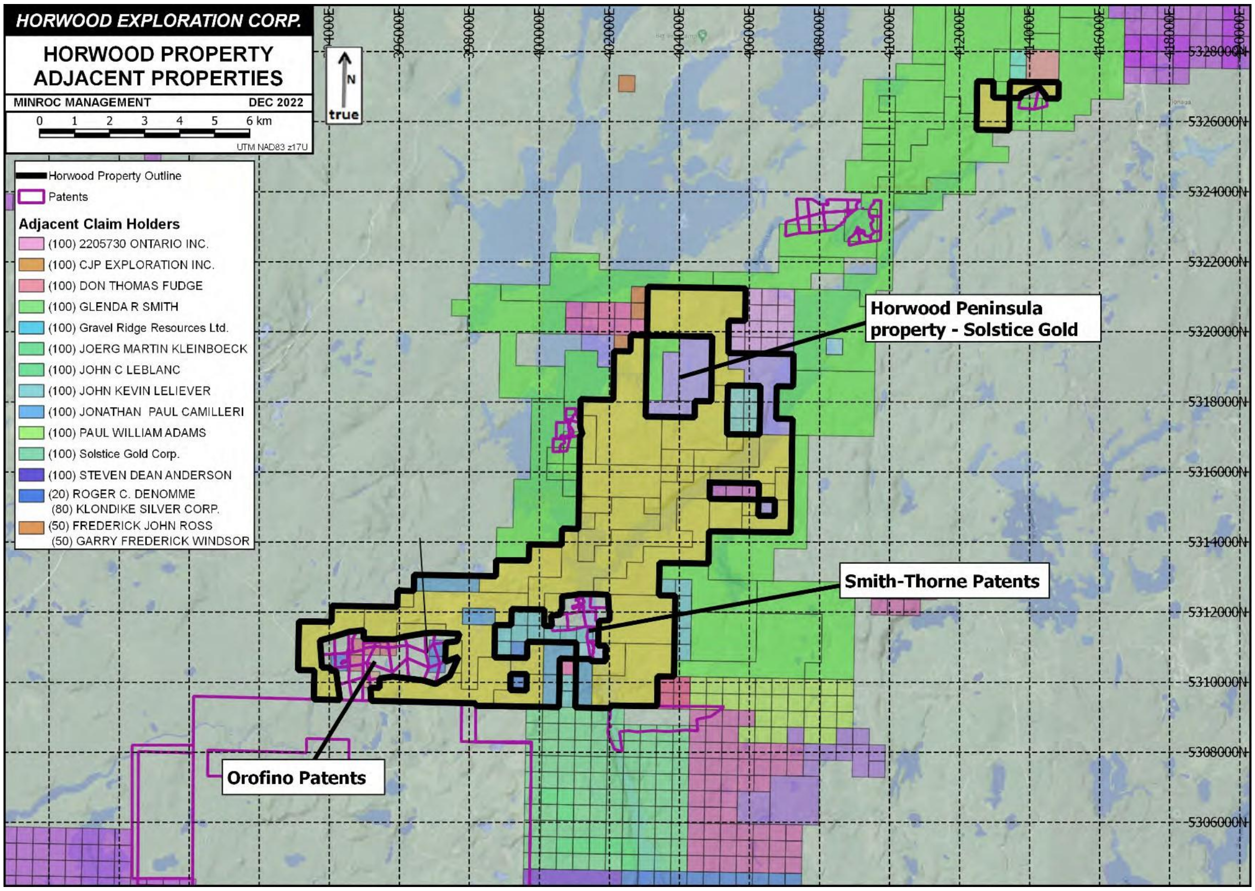


Figure 14 Horwood Property adjacent properties

Other Relevant Data and Information

To the Author's knowledge, all relevant information has been included in the other sections of the Technical Report.

Interpretation and Conclusions

The Property lies in the eastern part of the Swayze Greenstone Belt, part of the Abitibi Subprovince of the Canadian Shield. The Property geology includes maficdominated supracrustal country rocks impacted by regional-scale brittle-ductile deformation events and into which are intruded mafic through to intermediate-felsic intrusive suites. The regional geologic picture, with a regional-scale deformation structure, a history of deformation and a mix of rheologic and chemical contrasts is favourable for orogenic gold and gold-copper mineralization. Gold-mineralized systems have been explored, developed and mined within a kilometre of the Property boundary.

To date there has been no dedicated, property-wide exploration program. Historic exploration in the vicinity of the Property was typically focused on targets outside the Property. Furthermore, there are very few comprehensive geologic maps or otherwise evidence of detailed geologic mapping amongst the historic exploration assessment files that are presently publicly available. As a general statement it can be said that the Property is very thinly explored. A detailed compilation of historic work on and around the Property is required in order to determine exactly which historic occurrences, drillholes and other features lie within the Property boundary.

Exploration models based upon nearby properties can be applied to the Property. For example, diorite-hosted conjugate vein sets are known to carry potentially economic gold mineralization at Orofino and so this model can be applied to intrusions within the Property.

Furthermore, the Property has some potential for industrial minerals. A talcserpentine body was delineated by historic explorers within the Hardiman Deformation Zone and briefly exploited for use as mineral filler. Silica bodies, also associated with the HDZ, were quarried to the northeast of the Property. It is possible that industrial mineral production may be a valuable secondary income source for HEC.

The Author believes that the Property is highly prospective for gold mineralization, and that there is also potential for copper mineralization and industrial minerals.

Table 9 Risks and Opportunities to the Horwood Property

Risk	**Potential Impact**	**Possible Mitigation**
Poor social acceptability	Difficulty in undertaking work on the Horwood Property or enhancing its value	Maintain good relationships with First Nations communities and other local stakeholders, including landowners, hunters, fishers and trappers both on the Horwood Property and along access routes
Logistic Issues	Difficulty in accessing part of the Horwood Property due to ground conditions	Winter conditions will likely improve access in lower lying areas.
Environmental Issues	Permits to complete part or all of work programs (e.g. drilling) may be denied	Minimize potential environmental impact at all stages of exploration planning and execution (e.g. area and intensity of surface disturbance).
Opportunity	**Potential Impact**	**Explanation**
Successful exploration results	Value of property enhanced	Discovery of notable gold mineralization would increase the Horwood Property value
Discovery of secondary economic minerals	Value of property enhanced	Copper or other base or precious metals may be discovered alongside gold mineralization
Development of industrial mineral potential	Value of property enhanced	Successful exploration by third parties on nearby projects may increase market interest in the Horwood Property
Successful exploration in region	Value of property enhanced	Successful exploration by third parties on nearby projects may increase market interest in the Horwood Property

Recommendations

The Author recommends that the Issuer complete a two-stage program to advance the Property. A Phase 1 program is outlined here consisting of a thorough data review and compilation, detailed grid-based mapping, sampling and soil surveying. This is to be followed by a subsequent Phase 2 exploration program. The exact nature of Phase 2 will depend on findings from Phase 1 but the implementation of Phase 2 will not depend on any specific outcome from Phase 1.

Phase 1 shall consist of the following:

- A compilation, review and interpretation of all available data including historic drilling and surface work, and recent geophysics and site visit findings. This interpretation work should result in the drafting of detailed compilation maps and/or a workspace in GIS or modelling software, and the selection of targets for exploration or confirmation. Because of the history of the area, this work will involve compiling historic exploration data from outside the Property as it may have some geologic relevance to conditions within the Property. It may also be worth reprocessing the geophysical data to reduce the impact of the Proterozoic dykes.
- Grid-based geologic mapping and prospecting across the entire property. The entire Property can be traversed along a GPS-controlled grid with 200 m line spacing. No physical grid needs to be cut. Geologic mapping and routine outcrop sampling should take places on these lines.

Humus and/or vegetation sampling can be implemented if there are any sizeable areas that lack outcrop. Soil and/or vegetation samples can be taken at 200 m line stations to create a grid of sampling points.

The prospecting program is envisioned primarily as a target generation exercise, in combination with the compilation program. However, if some level of target generation takes place while field crews are active, it can also include some more targeted prospecting. If any areas are encountered during the grid program which appear to have promising mineralization, they can also be targeted with local hand stripping and more detailed sampling e.g. channel sampling.

Horwood Lake and its various bays puts limits on access to some parts of the Property. Boats will be required as well as ATVs or other vehicles.

A subset of outcrops may show some industrial minerals potential. Specimen pieces should be retained for potential mineralogic analysis.

All rock sampling should routinely incorporate multi-element sampling and gold fire assaying in order to detect gold and other potentially economic metals, and to allow a geochemical evaluation of primary lithologies and hydrothermal alteration assemblages.

Should soil or vegetation samples be taken, the Author recommends a modern analytical technique for the soil sample dataset such as a mobile metal ion leach analysis. Some research should be done into a suitable vegetation species and medium (e.g. alder twig, spruce bark) for the vegetation sampling program, depending on coverage in the field and biogeochemical suitability.

Findings from this initial Phase 1 program can be used to plan more detailed Phase 2 exploration which would likely consist of targeted drill-testing or stripping/trenching of priority targets.

Table 10 Recommendations for Phase 1 Program

Item	Details	Units	Rate	Quantity	Total (CAD)
Compilation	Compilation and interpretation				$20,000
Field Crew for Prospecting and sampling	Geologist	Days	$750	32	$24,000
	Assistant	Days	$500	32	$16,000
Accommodations/meals		Days	$200	64	$12,800
Consumables	Field tools: Rock saw, sample bags, hammers, etc.				$2,500
Assays	500 Rx (Au + multi element)	Sample	$75.00	500	$37,500
	1800 Soil Ionic Leach	Sample	$30	1400	$42,000
	1800 Vegetation	Sample	$30	1400	$42,000
Transportation	Mob/demob crew				$5,000
	ATV, boat rental	Days		21	$7,000
Report					$5,000
Management	15% of Total				$32,070

Item	Details	Units	Rate	Quantity	Total (CAD)
Contingency	-	-	-	-	$4,130
Total:	-	-	-	-	$250,000

Note that these costs are estimates of the Author. Prior to execution a program proposal must be built out in detail based on RFPs from various contractors which will then be approved by the Issuer.

USE OF PROCEEDS

Proceeds

The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia, Alberta and Ontario. If all of the Common Shares offered pursuant to this Offering are sold, the gross proceeds to the Issuer will be $600,000, assuming no exercise of the Over-Allotment Option; and up to an additional $90,000, assuming the full exercise of the Over-Allotment Option.

This Offering is subject to the completion of a minimum subscription of 6,000,000 Common Shares for gross proceeds to the Issuer of $600,000. The Offering will remain open until the date that is 90 days after a receipt is issued for the final Prospectus, unless an amendment to the final Prospectus is filed and the principal regulator has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the final Prospectus. In any event, the Offering must cease at the latest 180 days from the date of the receipt for the final Prospectus. If the minimum subscription is not completed within 90 days of the issuance of a receipt for the Prospectus, all subscription monies will be returned to Subscribers without interest or deduction.

Funds Available

The total funds expected to be available to the Issuer upon the completion of the Offering are described below (excluding any proceeds which may be received from the exercise of the Over-Allotment Option).

Funds Available	Amount
Gross proceeds of the Offering	$600,000
Estimated working capital as at February 28, 2025	$30,000
Estimated expenses of the Offering[1]	($154,500)
TOTAL:	**$475,500**

Note:

(1) Comprised of the Agent's Commission of $60,000, the balance of the Corporate Finance Fee of $17,000 (not including the applicable GST), the estimated remaining expenses of the Offering of $35,000 and estimated accrued accounts payable of $42,500.

Principal Purposes

Expenses	Funds to be Used[(1)]
To pay the estimated cost of the recommended Phase 1 exploration program and the budget on the Property as outlined in the Technical Report[(2)]	$250,000
To make property option payments with respect to the Property on or before Listing	$25,000
To make property option payments with respect to the Kabik Lake Property on or before Listing	$15,000
To provide funding sufficient to meet administrative costs for 12 months	$115,500
To provide general working capital to fund the Issuer's ongoing operations	$70,000
TOTAL:	**$475,500**

Notes:
(1) The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. In the event of exercise of the Over-Allotment Option, the Issuer will use the additional proceeds for general working capital and, if warranted, to fund Phase 2 of the recommended exploration program on the Property.
(2) See "Narrative Description of the Business – Recommendations" above for a summary of the work to be undertaken, a breakdown of the estimated costs and the nature of title to, or the Issuer's interest in, the Property.

Upon completion of the Offering, the Issuer's working capital available to fund ongoing operations will be sufficient to meet its administrative costs and exploration expenditures for twelve months. Estimated administrative expenditures for the 12 months following completion of the Offering are comprised of the following:

Administrative Expenses	Funds to be Used
Management and Administration Services	$35,000
Miscellaneous Office and Supplies	$6,000
Transfer Agent	$4,000
Legal	$35,000
Accounting and Audit	$25,000
CSE Monthly Maintenance Fees	$10,500
TOTAL:	**$115,500**

Since its incorporation on April 27, 2022, the Issuer has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended exploration program on the Property. Although the Issuer has allocated $115,500 (as above) from the Offering to fund its ongoing operations for a period of 12 months, thereafter, the Issuer will be reliant on future equity financings for its funding requirements, including in respect of future exploration work that may be conducted on the Property, depending on results of the recommended exploration program, and for payments due under the Property Option Agreement.

The Issuer intends to spend the funds available to it as stated in this Prospectus. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary.

Until required for the Issuer's purposes, the proceeds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper. The Issuer's Chief Financial Officer will be responsible for the investment of unallocated funds.

In the event of exercise, in full, of the Over-Allotment Option, additional gross proceeds totalling $90,000, minus the applicable Agent's Commission thereon of up to $9,000 and any additional expenses, will be added to the Issuer's general working capital.

Stated Business Objectives and Milestones

The Issuer's business objectives in using the available funds are to:

(a) complete the Listing; and

(b) conduct the Phase 1 exploration program on the Property recommended in the Technical Report.

The Listing is expected to cost the Issuer $25,000 in respect of the initial listing fee payable to the Exchange, of which $5,000 (plus GST) has been paid (which amount comprises part of the estimated remaining expenses of the Offering of $35,000). The Listing is subject to the Issuer fulfilling all of the requirements of the Exchange; however, it is expected by the Issuer that the Listing will be completed in the first quarter of 2025.

Upon completion of the Offering, the first phase of the exploration program on the Property is projected to cost $250,000 and is expected to be conducted in spring or summer of 2025, depending on the weather. If the results of the Phase 1 work program warrant continued exploration of the Property, the Issuer would be required to raise further capital to fund additional exploration on the Property and there can be no assurance that the Issuer will be successful in raising such funds.

The table below sets out the estimated timeline and costs for the Issuer's business objectives and milestones which, subject to working capital resources, the Issuer intends to accomplish over the 12 months following the completion of the Offering.

	Timeline and Estimated Cost	
Objective	**Month 1-5**	**Month 6-12**
Phase 1 exploration program on the Property recommended in the Technical Report	--	$250,000
Administrative Expenses (see table on page 45 for breakdown of expenses)	$48,125	$67,375
TOTAL:	**$48,125**	**$317,375**

Note:
(1) The Listing (and the expenses of the Listing) have been excluded from this table as the expenses have been accounted for in the total funds available to the Issuer upon the completion of the Offering.

Notwithstanding the Issuer's estimate as to when the recommended exploration program on the Property will occur, it is possible that it will take more than 12 months for the Issuer to complete Phase 1 of the recommended work program for the Property. Further information on the risks relating to the Issuer's proposed exploration of the Property can be found under the heading "Risk Factors".

SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

Financial Information

The Issuer was incorporated under the *Canada Business Corporations Act* on April 27, 2022. The following table summarizes selected information from the Issuer's unaudited interim consolidated financial statements for the period ended December 31, 2024, Avventura BC's audited consolidated financial statements for the financial year ended September 30, 2024 and the pro forma consolidated interim financial statements of the Issuer as of September 30, 2024.

	Issuer as at December 31, 2024 ($) (Unaudited)	**Avventura BC as at September 30, 2024 ($) (Audited)**	**Pro Forma Adjustment as at September 30, 2024 ($) (Unaudited)**
Exploration Expenditures and Evaluation Asset	179,067	155,067	179,067
Net Loss and Comprehensive Loss	(810,324)	(179,979)	(834,253)
Total assets	234,554	214,881	752,867

Dividends

There are no restrictions that would prevent the Issuer from paying dividends on the Common Shares, however, the Issuer has neither declared nor paid any dividends on its Common Shares since incorporation and has not established any dividend or distribution policy. The Issuer intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Management's Discussion and Analysis

The Issuer's Management's Discussion and Analysis provides an analysis of the Issuer's financial results for the years ended December 31, 2023, the period from incorporation to December 31, 2022, and the period ended December 31, 2024 and should be read in conjunction with the financial statements of the Issuer for such periods, and the notes thereto respectively. The Issuer's financial statements and Management's Discussion and Analysis are attached as Schedule "A" and "B", respectively.

Avventura BC's Management's Discussion and Analysis provides an analysis of Avventura BC's financial results for the financial year ending September 30, 2023 and September 30, 2024 and should be read in conjunction with the financial statements of Avventura BC for such period, and the notes thereto respectively. Avventura BC's Management's Discussion and Analysis and financial statements are attached as Schedule "C" and Schedule "D", respectively.

Certain information included in the Issuer's and Avventura BC's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Caution Regarding Forward-Looking Statements" for further details.

DESCRIPTION OF THE OUTSTANDING SECURITIES

Authorized and Issued Share Capital

The authorized share capital of the Issuer consists of an unlimited number of Common Shares without par value. As of the date of this Prospectus, 27,181,999 Common Shares were issued and outstanding as fully paid and non-assessable shares.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Issuer and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the Board of Directors of the Issuer may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

The Issuer has previously issued Warrants to acquire up to 7,825,000 Common Shares at an exercise price of $0.10 per Warrant Share and expiring on dates ranging from April 8, 2027 to three years from the Listing Date, as set forth below:

Issue Date	Number of Warrants	Exercise Price	Expiry Date
April 8, 2024	1,000,000	$0.10	April 8, 2027
May 2, 2024	1,000,000	$0.10	May 2, 2027
November 29, 2024	5,825,000	$0.10	Three Years from Listing Date
TOTAL:	**7,825,000**		

The Warrants issued on April 8, 2024 and May 2, 2024 were issued to subscribers in an equity offering conducted by the Issuer. The Warrants issued on November 29, 2024 were issued pursuant to Transaction to former Avventura BC warrant holders.

DESCRIPTION OF THE SECURITIES TO BE DISTRIBUTED

Offered Common Shares

An aggregate of 6,000,000 Common Shares and up to 900,000 Over-Allotment Shares are hereby offered at the Offering Price of $0.10 per Common Share. The securities to be distributed pursuant to the Offering hereunder are qualified by this Prospectus and are more particularly described under the heading "Plan of Distribution".

Compensation Warrants

The Issuer has agreed to grant to the Agent, Compensation Warrants entitling the Agent to purchase that amount of Compensation Shares as is equal to 10% of the aggregate number of Common Shares issued pursuant to this Offering (including any Over-Allotment Shares upon exercise of the Over-Allotment Option) with an exercise price per Compensation Share that is equal to the Offering Price for a period of 24 months from the Closing Day. This Prospectus qualifies for distribution the Compensation Warrants.

Common Shares to Optionors

The Issuer has agreed to issue 700,000 Common Shares to the Optionors upon the Listing in respect of the Property. See "General Development of the Business" above and "Plan of Distribution" below. This Prospectus also qualifies for distribution the 700,000 Common Shares issuable to the Optionors.

Common Shares for Debt

On January 20, 2025, the Issuer agreed to issue 1,095,630 Common Shares at a price of $0.10 to settle legal fees of $109,563. These Common Shares were issued on a prospectus-exempt basis in the province of British Columbia and are qualified for distribution under this Prospectus. See "General Development of the Business" above and "Plan of Distribution" below.

Reserved for Issuance

After the completion of the Offering, up to 8,425,000 Common Shares will be reserved for issuance as follows:

Description of Securities	Number of Common Shares Reserved for Issuance
Warrant Shares	7,825,000
Compensation Shares[(1)]	600,000
TOTAL:	**8,425,000[(1)]**

Note:
(1) In the event the Over-Allotment Option is exercised in full, the 900,000 Over-Allotment Shares will be issued and a further 90,000 Compensation Shares will be reserved for issuance.

CONSOLIDATED CAPITALIZATION

The following table summarizes the changes in the Issuer's capitalization since incorporation and after giving effect to the Offering:

Description	Authorized Amount	Outstanding as at December 31, 2023 (Audited)	Outstanding as at September 30, 2024 (Unaudited)	Outstanding at the date of this Prospectus (Unaudited)	Outstanding after giving effect to this Offering (Unaudited)[(1)]
Common Shares	Unlimited	15,750,000	12,511,268	27,181,999	33,881,999[(2)]
Warrants	Unlimited	6,675,000	8,675,000	7,825,000	7,825,000
Stock Options	10% of the issued and outstanding	Nil	Nil	Nil	Nil
Long Term Debt	Nil	Nil	Nil	Nil	Nil

Notes:
(1) Includes the 700,000 Common Shares to be issued to the Optionors in respect of the Properties, but does not include any Over-Allotment Shares issued upon any exercise of the Over-Allotment Option (up to 900,000 additional Over-Allotment Shares) or the exercise of any Warrants (Up to 7,825,000 Warrant Shares) or Compensation Warrants (up to 690,000 Compensation Shares).
(2) The number of Common Shares outstanding on a fully-diluted basis, assuming completion of the Offering, and (i) the issuance of the 700,000 Common Shares to the Optionors; (ii) the exercise of all 7,825,000 Warrants; (iii) the exercise of all 690,000 potential Compensation Warrants (assuming the exercise of the Over-Allotment Option); and (iv) the issuance of 900,000 Over-Allotment Shares issued pursuant to the exercise of the Over-Allotment Option would be 43,296,999 Common Shares in total.

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

The Stock Option Plan was approved by the Issuer's directors on February 13, 2023. The purpose of the Stock Option Plan is to assist the Issuer in attracting, retaining and motivating directors, officers, employees and consultants of the Issuer and of its affiliates (together "eligible persons") and to closely align the personal interests of such eligible persons with the interests of the Issuer and its shareholders. The Stock Option Plan is to be administered by the Board, or by a committee appointed by the Board, which will have full and final authority with respect to the granting of all options thereunder.

The aggregate number of Common Shares which may be reserved for issuance pursuant to the exercise of options granted under the Stock Option Plan shall not exceed 10% of the Issuer's issued and outstanding Common Shares at the time of the grant. Any Common Shares reserved for issuance pursuant to the exercise of options granted by the Issuer prior to the Stock Option Plan coming into effect and which are outstanding on the date on which the Stock Option Plan comes into effect shall be included in determining the number of Common Shares reserved for issuance as if such options were granted under the Stock Option Plan.

In addition, the number of Common Shares which may be reserved for issuance within a one-year period: (i) to any one individual may not exceed 5% of the Common Shares issued and outstanding on the grant date, on a non-diluted basis, unless otherwise approved by disinterested shareholders of the Issuer, and (ii) to any one consultant may not exceed 2% in the aggregate of the total number of Common Shares issued and outstanding on the grant date on a non-diluted basis. The Issuer shall not grant options to any person conducting Investor Relations Activities (as defined in the Stock Option Plan), promotional or market-making services.

Any options granted pursuant to the Stock Option Plan will terminate on (i) the earliest of the expiration date; (ii) the end of the period of time permitted for exercise of the Option, to be determined by the Board at the time of the grant after the optionee ceased to be eligible for options for any reasons other than death; (iii) 90 days after the date of termination of the optionee as an employee, consultant or independent contractor of the Issuer and (iv) the first anniversary of the date of death of the optionee.

The exercise prices of the options will be determined by the Board, but after the Common Shares become listed on the Exchange, the exercise price of the options will not be less than the closing market price of the Common Shares on the Exchange listed less allowable discounts at the time of grant.

There are no stock options issued and outstanding pursuant to the Stock Option Plan as of the date hereof.

Compensation Warrants

The Issuer will issue to the Agent, Compensation Warrants for the purchase of up to that number of Common Shares as is equal to 10% of the aggregate number of Common Shares of the Issuer issued pursuant to the Offering, including any Common Shares sold under the Over-Allotment Option, exercisable at a price of $0.10 per Common Share for a period of 24 months from the Closing Day.

PRIOR SALES

The Issuer

The following table summarizes the issuance of Common Shares, or securities convertible into Common Shares of the Issuer for the 12 month period prior to the date of this Prospectus:

Issue Date	Type of Security	Number of Securities	Issue or Exercise Price
April 8, 2024	Common Shares(1)	1,000,000	$0.05
April 8, 2024	Warrants(1)	1,000,000	$0.10
May 2, 2024	Common Shares(2)	1,000,000	$0.05
May 2, 2024	Warrants(2)	1,000,000	$0.10

Issue Date	Type of Security	Number of Securities	Issue or Exercise Price
September 27, 2024	Common Shares	821,368(3)	$0.10
November 29, 2024	Warrants	5,825,000(4)	$0.10
November 29, 2024	Common Shares	13,575,001(5)	$0.05
February 18, 2025	Common Shares	1,095,630(6)	$0.10

Notes:
(1) These securities comprise the Units issued pursuant to a private placement conducted by the Issuer. Each unit was comprised of one Common Share and one Common Share purchase warrant, each warrant entitling the holder to acquire one additional Common Share at a price of $0.10 per Common Share for a period of 36 months from the date the units were issued.
(2) These securities comprise the Units issued pursuant to a private placement conducted by the Issuer. Each unit was comprised of one Common Share and one Common Share purchase warrant, each warrant entitling the holder to acquire one additional Common Share at a price of $0.10 per Common Share for a period of 36 months from the date the units were issued.
(3) Issued in settlement of $82,136 of payables for legal services provided by former legal counsel.
(4) Issued pursuant to the Transaction whereby all outstanding warrants of Avventura BC were exchanged for warrants of the Issuer on the basis of one half of one (1/2) Issuer warrant for each Avventura BC warrant. See "General Development of the Business - History" for further information related to the Transaction.
(5) Issued pursuant to the Transaction whereby each shareholder of Avventura BC received, in exchange for each Avventura BC Share it held, one Common Share. See "General Development of the Business - History" for further information related to the Transaction.
(6) Issued in settlement of $109,563 of payables for legal services provided by legal counsel.

Avventura BC

The following table summarizes the issuance of common shares in the capital of Avventura BC, or securities convertible into common shares in the capital of Avventura BC for the 12 month period prior to the date of this Prospectus:

Issue Date	Type of Security	Number of Securities	Issue or Exercise Price
August 8, 2024	Common Shares(1)	1,900,000	$0.05
August 8, 2024	Warrants	1,900,000	$0.05
August 29, 2024	Common Shares(2)	800,000	$0.05
August 29, 2024	Warrants	800,000	$0.05

Notes:
(1) These securities comprise the units issued pursuant to a private placement conducted by Avventura BC. Each unit was comprised of one Avventura BC Share and one Avventura BC Warrant, each Avventura BC Warrant entitling the holder to acquire one additional Avventura BC Share at a price of $0.05 per Avventura BC Share for a period of 36 months from the date upon which the Avventura BC Shares first commence trading on a stock exchange in Canada.
(2) These securities comprise the units issued pursuant to a private placement conducted by Avventura BC. Each unit was comprised of one Avventura BC Share and one Avventura BC Warrant, each Avventura BC Warrant entitling the holder to acquire one additional Avventura BC Share at a price of $0.05 per Avventura BC Share for a period of 36 months from the date upon which the Avventura BC Shares first commence trading on a stock exchange in Canada.

ESCROWED SECURITIES

Under the applicable policies and notices of the Canadian Securities Administrators, securities held by Principals (as defined below) are required to be held in escrow in accordance with the escrow regime applicable to initial public distributions. Equity securities, including Common Shares, and warrants, owned or controlled by the Principals of the Issuer are subject to the escrow requirements set out in NP 46-201.

Principals include all persons or companies that, on the completion of the Offering, fall into one of the following categories:

(a) directors and senior officers of the Issuer, as listed in this Prospectus;

(b) promoters of the Issuer during the two years preceding this Offering;

(c) those who own and/or control more than 10% of the Issuer's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Issuer or of a material operating subsidiary of the Issuer;

(d) those who own and/or control more than 20% of the Issuer's voting securities immediately after completion of this Offering;

(e) associates and affiliates of any of the above; and

(f) a spouse and relatives that live at the same address as the Principal will also be treated as principals.

The Principals of the Issuer subject to escrow pursuant to NP 46-201 are Anthony Balic, Victor Cantore, Mark Lotz, and Eric Allard.

The Issuer is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Issuer achieves "established issuer" status during the term of the Escrow Agreement (as defined below), it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18-month schedule applicable to established issuers as if the Issuer had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the escrowed securities (the "Escrowed Securities") may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within the escrow are:

(a) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Issuer or of a material operating subsidiary, with approval of the Board of Directors;

(b) transfers to a person or company that before the proposed transfer holds more than 20% of the voting rights attached to the Issuer's outstanding securities;

(c) transfers to a person or company that after the proposed transfer will (i) hold more than 10% of the voting rights attached to the Issuer's outstanding securities; and (ii) has the right to elect or appoint one or more directors or senior officers of the Issuer or any of its material operating subsidiaries;

(d) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children or parents;

(e) transfers upon bankruptcy to the trustee in bankruptcy;

(f) pledges to a financial institution as collateral for a loan, provided that upon a realization the securities remain subject to escrow; or

(g) tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the Escrowed Securities that are subject to the Escrow Agreement as of the date of this Prospectus:

Name	No. of Escrowed Common Shares(1)(2)	No. of Escrowed Warrants	Percentage of Common Shares After Giving Effect to the Offering(3) (Partially Diluted)
Eric Allard	800,000	Nil	2.36% (2.36%)
Anthony Balic	550,000	250,000	1.62% (2.34%)
Victor Cantore	4,100,000	700,000	12.10% (13.88%)
Mark Lotz(4)	900,000	450,000	2.66% (3.93%)

Notes:
(1) These securities will be deposited in escrow with the Escrow Agent upon execution of the Escrow Agreement.
(2) Pursuant to the "Escrow Agreement", the securityholders agreed to deposit the Escrowed Securities with the Escrow Agent. The Escrow Agreement provides that 10% of the Escrowed Securities will be released from escrow upon the Listing Date and that, where there are no changes to the Escrowed Securities initially deposited and no additional escrow securities, the remaining Escrowed Securities will be released in equal tranches of 15% every 6-month interval thereafter, over a period of 36 months.
(3) Includes the 700,000 Common Shares to be issued to the Optionors; in result, the aggregate number of issued and outstanding Common Shares immediately after completion of the Offering would total 33,881,999 Common Shares, but does not include any Over-Allotment Shares issued upon any exercise of the Over-Allotment Option (up to 900,000 additional Over-Allotment Shares), the exercise of any of the Warrants (up to 7,825,000 Warrant Shares) or the exercise of any Compensation Warrants (up to 690,000 Compensation Shares). Assumes that none of the persons listed above will purchase any Common Shares under the Offering.
(4) Includes 500,000 Common Shares and 250,000 Common Share purchase warrants held by Lotz CPA Professional Corporation, a private company beneficially owned and controlled by Mr. Lotz.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Issuer, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Issuer's Common Shares except for the following:

Prior to the Offering				After Giving Effect to the Offering		
Name	Number of Common Shares Owned Directly or Indirectly	Percentage of Common Shares Held	Percentage of Common Shares Held on a Fully-Diluted Basis(1)	Number of Common Shares Beneficially Owned Directly or Indirectly(2)	Percentage of Common Shares Held(2)(3)	Percentage of Common Shares Held on a Fully-Diluted Basis(2)(4)
Alberto Galeone	2,100,000	7.73%	9.86%	2,100,000	6.20%	7.97%
Victor Cantore	4,100,000	15.08%	13.71%	4,100,000	12.10%	11.09%

Notes:
(1) On a fully-diluted basis, assuming the exercise of all 7,825,000 Common Share Purchase Warrants (35,006,999 Common Shares).
(2) Assumes that each principal securityholder does not purchase any Over-Allotment Shares under the Offering.
(3) Includes the 700,000 Common Shares to be issued to the Optionors; in result, the aggregate number of issued and outstanding Common Shares immediately after completion of the Offering would total 33,881,999 Common Shares, but does not include any Over-Allotment Shares issued upon any exercise of the Over-Allotment Option (up to 900,000 additional Over-Allotment Shares) or the exercise of any Warrants (up to 7,825,000 Warrant Shares) or Compensation Warrants (up to 690,000 Compensation Shares).

(4) On a fully-diluted basis, assuming completion of the Offering, and (i) the issuance of the 700,000 Common Shares to the Optionors; (ii) the exercise of all 690,000 potential Compensation Warrants (assuming the exercise of the Over-Allotment Option); (iii) the issuance of 900,000 Over-Allotment Shares issued pursuant to the exercise of the Over-Allotment Option; and (iv) the exercise of all 7,825,000 Common Share purchase warrants; being 43,296,999 Common Shares in total.

DIRECTORS AND OFFICERS

The following table provides the names, provinces of residence, positions, principal occupations and the number of voting securities of the Issuer that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Province of Residence and Position with the Issuer	Director/ Officer Since	Principal Occupation for the Past Five Years	Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)
Anthony Balic British Columbia, Canada *Chief Executive Officer and President*	Chief Executive Officer and President since November 29, 2024	Businessman; currently the Principal of Katuni Capital Corp., a private company providing corporate finance, accounting and capital advisory services to private and public companies. Mr. Balic is also a director and/or officer of several private and public companies, including Chief Financial Officer and Director of Goldgroup Mining Inc. ("Goldgroup") (TSX-V, OTC). Mr. Balic was previously the Director of Finance of Goldgroup, where he managed the entire finance and accounting function of the company. Prior to this position, he was a Senior Manager at Deloitte LLP in Vancouver, where he specialized in assurance and advisory for mining companies.	550,000 2.02%
Mark Lotz British Columbia, Canada *Chief Financial Officer, Corporate Secretary and Director*	Chief Financial Officer, Corporate Secretary and Director since November 29, 2024	Accountant; director and officer of several public companies, including Alta Copper Corp. (formerly Candente Copper Corp.) (TSX) from September 2018 to June 2022, Xali Gold Corp. (TSX-V) from September 2018 to October 2023, Gold Hunter Resources Inc. (CSE) from October 2019 to February 2022, Leopard Lake Gold Corp. (CSE) from July 2020 to present, PreveCeutical Medical Inc. (CSE) from June 2019 to present and Fairchild Gold Corp. (TSX-V) from November 2019 to present.	900,000 3.31%
Eric Allard[(1)] British Columbia, Canada *Director*	Director since April 27, 2022	Businessman; Chief Executive Officer and director of Tantalex Lithium Resources (CSE, FRA, OTCQB) since November 2020. President and Owner of SEMM Géoservices, Inc., a firm providing geological services, since 2021. From 2021 until May 9, 2024,	800,000 2.94%

Name and Province of Residence and Position with the Issuer	**Director/ Officer Since**	**Principal Occupation for the Past Five Years**	**Number and % of Common Shares Beneficially Owned Directly or Indirectly (at the date of this Prospectus)**
		he served as a Director at Leopard Lake Gold Corp. (CSE). From November 2020 until April 2021 he was appointed to the board of directors of Mosaic Minerals Corp. (CSE).	
John Pallot(1) British Columbia, Canada *Director (Chairman)*	Director since November 29, 2024	Businessman; served as the Chief Executive Officer and President of Windarra Minerals Ltd. (TSX-V) and West African Iron Ore Corp. (formerly, Westward Explorations Ltd.) (TSX-V) from 2002 to 2013 and has been a Director of various public companies focused on the resource sector continuously since 1993.	150,000 0.55%
John Hiner(1) British Columbia, Canada *Director*	Director since November 29, 2024	Businessman; director of Athena Gold Corp. (OTCQB) since March 2021, director of Golden Lake Exploration Inc. (CSE, OTCQB) since May 2018 and Manager of Hiner Geologic Services, LLC since January 2024.	Nil

Note:
(1) Denotes a member of the Audit Committee of the Issuer.

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of office of the officers expires at the discretion of the Issuer's directors.

The Issuer has one committee, the audit committee, comprised of John Pallot (Chairman), John Hiner and Eric Allard.

The following is a brief description of the background of the key management, directors and promoters of the Issuer.

Anthony Balic, *Chief Executive Officer, President and Promoter*

Mr. Balic is the Chief Executive Officer, President and a promoter of the Issuer and provides his services to the Issuer on a part-time basis. He has served the Issuer as Chief Executive Officer and President since November 29, 2024 and has been the Chief Executive Officer of Avventura BC since February 28, 2023. He will devote approximately 20% of his time to the affairs of the Issuer. His responsibilities with the Issuer in his capacity as Chief Executive Officer and President include managing day-to-day operations of the Issuer, executing policies implemented by the Board of Directors and reporting back to the Board.

Mr. Balic is a Chartered Professional Accountant (CPA) and is Principal of Katuni Capital Corp., a private company providing corporate finance, accounting and capital advisory services to private and public companies. Mr. Balic serves as a director and/or officer to a number of junior public companies in the natural resource sector and was previously a senior manager at Deloitte LLP, where he specialized in assurance and advisory services for publicly listed mining companies based both in Canada and the United States. Mr. Balic holds a Bachelor of Commerce - Finance and a Diploma in Accounting from the University of British Columbia.

Mr. Balic is an independent contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 42 years of age.

Mark Lotz, *Chief Financial Officer, Corporate Secretary and Director*

Mr. Lotz is the Chief Financial Officer, Corporate Secretary and a director of the Issuer and provides his services to the Issuer on a part time basis. He has served the Issuer as director and Chief Financial Officer since November 29, 2024, and has been the Chief Financial Officer and Corporate Secretary of Avventura BC since February 28, 2023. He will devote approximately 10% of his time to the affairs of the Issuer. In his capacity as Chief Financial Officer, Mr. Lotz reports to the President and Chief Executive Officer of the Issuer regarding strategic and tactical matters as they relate to budget management, cost-benefit analysis, forecasting needs and securing adequate funding.

Mr. Lotz holds a Bachelor's degree in Business Administration with a joint major in Economics. He is a Chartered Professional Accountant with 26 years of post-qualification experience and has extensive experience in the capital markets across a broad cross-section of industries including SaaS (software as a service), manufacturing, mining, technology, and financial services. Mr. Lotz has held CFO and other senior financial positions with several well-known mining and exploration companies. He has also served as a senior executive officer in the securities brokerage industry. Prior to that, he served as a securities regulator, following his tenure at Coopers & Lybrand where he focused on the mining and tax sectors.

Mr. Lotz is an independent contractor of the Issuer, has not entered into any non-competition or non-disclosure agreements with the Issuer and is 60 years of age.

Eric Allard, *Director*

Mr. Allard has been a director of the Issuer since April 27, 2022 and provides his services to the Issuer on a part-time basis. He will devote approximately 10% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Allard is a geological engineer with 20 years' experience in project and operations management for exploration mining, oil & gas and construction engineering. He has held various positions as VP operations in junior mining companies in Canada and Africa and has participated in all levels of company management from sales and business management to technical project management.

He is a member in good standing of the Ordre des Ingénieurs du Québec.

Mr. Allard is not an independent contractor or employee of the Issuer, has not entered into a non-competition or nondisclosure agreement with the Issuer and is 52 years of age.

John Hiner, *Director and Chairman*

Mr. Hiner has been a director of the Issuer since November 29, 2024, and has been a director of Avventura BC since April 7, 2022. He provides his services to the Issuer on a part-time basis. He will devote approximately 10% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Hiner has an exploration history of over 45 years with several junior and major mining companies to explore for geothermal energy, precious metals and industrial minerals. As such, he was on several exploration teams that are credited with eight discoveries of which five became mines that are still producing. He has also been successfully exploring for and defining lithium prospects since 2009.

Mr. Hiner is not an independent contractor or employee of the Issuer, has not entered into a non-competition or nondisclosure agreement with the issuer and is 77 years of age.

John Pallot, *Director*

Mr. Pallot has been a director of the Issuer since November 29, 2024, and has been a director of Avventura BC since February 28, 2023. He provides his services to the Issuer on a part-time basis. He will devote approximately 10% of his time to the affairs of the Issuer. As a director, he is responsible for directing and overseeing management of the Issuer.

Mr. Pallot has over 32 years business experience in the telecommunications industry. Mr. Pallot has subsequently served as the Chief Executive Officer and President of Windarra Minerals Ltd. and West African Iron Ore Corp. (formerly, Westward Explorations Ltd.) from 2002 to 2013 and has served as a director of various public companies focused on the resource sector continuously since 1993.

Mr. Pallot is not an independent contractor or employee of the Issuer, has not entered into a non-competition or nondisclosure agreement with the issuer and is 77 years of age.

Corporate Cease Trade Orders or Bankruptcies

To the Issuer's knowledge:

(a) except as disclosed below, no director or executive officer of the Issuer is as of the date hereof, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other company that, while that person was acting in the capacity as director, chief executive officer or chief financial officer of that company, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days;

(b) except as disclosed below, no director or executive officer of the Issuer is, or within the ten years prior to the date hereof ceased to be a director, chief executive officer or chief financial officer of any other company that, was the subject of a cease trade order or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director or chief executive officer or chief financial officer; and

(c) except as disclosed below, no director or executive officer of the Issuer, or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer as at the date hereof, or within the ten years prior to the date hereof has been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact.

On May 1, 2019, the British Columbia Securities Commission issued a management cease trade order against Mark Lotz in his capacity as Chief Financial Officer of Specialty Liquid Transportation Corp. ("Specialty Liquid"), for the Specialty Liquid's failure to file annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018 (collectively, the "2018 Financial Statements") within the prescribed time period. On August 6, 2019, at a time when Mr. Lotz was the Chief Financial Officer of Specialty Liquid, a cease trade order was issued to Specialty Liquid by the British Columbia Securities Commission, for its failure to file the 2018 Financial Statements, interim financial report for the period ended March 31, 2019, management's discussion and analysis for the period ended March 31, 2019 and certification of annual and interim filings for the periods ended December 31, 2018 and March 31, 2019. The management cease trade order against Mr. Lotz and the cease trade order against Specialty Liquid is currently outstanding as a result of the inability of Specialty Liquid to attain pertinent information from Specialty Liquid's Korean and Argentinian subsidiaries.

On July 30, 2019, at Mark Lotz's request, the British Columbia Securities Commission issued a management cease trade order against Mr. Lotz in his capacity as Chief Financial Officer and director of Gnomestar Craft Inc. ("Gnomestar"), for Gnomestar's failure to file annual audited financial statements and management's discussion and analysis for the year ended March 31, 2019 within the prescribed time period. Gnomestar was unable to file such financial statements within the prescribed period of time as a result of delays in completion of Gnomestar's audit. The cease trade order against Gnomestar was revoked on October 2, 2019. On July 30, 2021, at Mr. Lotz's request, the British Columbia Securities Commission issued a management cease trade order against Mr. Lotz in his capacity as Chief Financial Officer and director of Gnomestar, for Gnomestar's failure to file annual audited financial statements and management's discussion and analysis for the year ended March 31, 2021 within the prescribed time period. Gnomestar was unable to file such financial statements within the prescribe period of time as a result of delays in completion of Gnomestar's audit. The cease trade order against Gnomestar was revoked on October 7, 2021.

Mark Lotz was appointed the Chief Financial Officer of LUFF Enterprises Ltd., formerly Ascent Industries Corp. ("Ascent") in April 2019 after it voluntarily sought protection under the Companies' Creditors Arrangements Act (CCAA). Mr. Lotz's mandate was to complete the CCAA process and all outstanding financial reporting requirements. The CCAA process was completed and the company returned to good standing with the CSE and the British Columbia Securities Commission in May of 2020, which concluded Mr. Lotz's engagement with Ascent.

Mark Lotz was the Chief Financial Officer of Ascent when, on March 11, 2020, the British Columbia Securities Commission granted a voluntary management cease trade order pursuant to which Mr. Lotz was prohibited from trading in securities of Ascent until such time as Ascent had filed annual audited financial statements and management's discussion and analysis for the year ended December 31, 2018, as well as interim financial reports and management's discussion and analysis for the periods ended March 31, 2019, June 30, 2019 and September 30, 2019. On May 12, 2020, the management cease trade order was revoked following Ascent's filing of the required financial statements and management's discussion and analysis.

Mark Lotz was the Chief Financial Officer of Handa Mining Corp. ("Handa") when, on July 17, 2020, the British Columbia Securities Commission granted a voluntary management cease trade order pursuant to which Mr. Lotz was prohibited from trading in securities of Handa until such time as Handa had filed its annual audited financial statements and management's discussion and analysis for the year ended January 31, 2020. On August 18, 2020, the management cease trade order was revoked following Handa's filing of the required financial statements and management's discussion and analysis.

Eric Allard was a director of Tantalex Lithium Resources Corporation when it was issued a failure-to-file cease trade order by the securities regulators as of August 19, 2020 as a result of a delay in filing the company's annual audited financial statements. On November 13, 2020, the Ontario Securities Commission granted a full revocation of the cease trade order previously issued against the company.

On March 1, 2022, the BCSC issued an MCTO against Anthony Balic, CFO of Captiva Verde Wellness Corp., in connection with the late filing of the Company's annual financial statements, management's discussion and analysis and officers' certifications for the year ended October 31, 2021 (the "2021 Financial Statements"). Captiva subsequently filed the 2021 Financial Statements and the BCSC revoked the MCTO on April 12, 2022.

Penalties or Sanctions

Except as disclosed below, to the Issuer's knowledge, no director, executive officer or promoter of the Issuer, or any shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

In 2002, Mark Lotz paid a fine in the amount of $20,000 to the Investment Dealers Association (IDA), the predecessor to the Investment Industry Regulatory Organization of Canada (IIROC), for having failed to file an application with the IDA reflecting a change of his employment status with Golden Capital Securities Ltd., a registered investment dealer where he was employed ("Golden Capital"). At the time, Mr. Lotz had a part-time accounting and tax practise which, under IDA policies, should have been reflected in his employment status. Upon termination of his employment and after Golden Capital had declared its intent to cease operations, Mr. Lotz undertook to act as the Chief Financial Officer for a public company but inadvertently failed to disclose this engagement with the IDA.

Personal Bankruptcies

To the Issuer's knowledge, no existing or proposed director, executive officer, promoter or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the issuer is as of the date hereof, or within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter.

To the Issuer's knowledge and other than disclosed herein, there are no known existing or potential conflicts of interest among the Issuer, its promoters, directors and officers or other members of management of the Issuer or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies and therefore it is possible that a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

The directors and officers of the Issuer are aware of the existing laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Issuer will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breach of duty by any of its directors or officer.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Issuer's executive compensation program during the most recently completed financial year ended December 31, 2023 and the period from incorporation on April 27, 2022 to December 31, 2022 was administered by the Board of Directors. The Board of Directors was solely responsible for determining the compensation to be paid to the Issuer's executive officers and evaluating their performance. The Board of Directors has not adopted any specific policies or objective for determining the amount or extent of compensation for directors or officers.

Significant Elements

The significant elements of compensation for the Issuer's "Named Executive Officers", being the Chief Financial Officer and the Chief Executive Officer, will be a cash salary and stock options. The Issuer does not presently have a long-term incentive plan for its Named Executive Officers. There is no policy or target regarding allocation between cash and non-cash elements of the Issuer's compensation program. The Board of Directors reviews annually the total compensation package of each of the Issuer's executives on an individual basis.

Cash Salary

The Issuer's compensation payable to the Named Executive Officers is based upon, among other things, the responsibility, skills and experience required to carry out the functions of each position held by each Named Executive Officer and varies with the amount of time spent by each Named Executive Officer in carrying out his or her functions on behalf of the Issuer. In particular the Chief Executive Officer's compensation will be determined by time spent on: (i) the Issuer's current mineral properties; (ii) reviewing potential mineral properties that the Issuer may acquire and negotiating, on behalf of the Issuer; and (iii) new business ventures. The Chief Financial Officer's compensation is primarily determined by time spent in reviewing the Issuer's financial statements.

Stock Options

The Stock Option Plan is intended to emphasize management's commitment to the growth of the Issuer. The grant of stock options, as a key component of the executive compensation package, enables the Issuer to attract and retain qualified executives. Stock option grants are based on the total of stock options available under the Stock Option Plan. In granting stock options, the Board of Directors reviews the total of stock options available under the Stock Option Plan and recommends grants to newly retained executive officers at the time of their appointment and considers recommending further grants to executive officers from time to time thereafter. The amount and terms of outstanding options held by an executive are taken into account when determining whether and how new option grants should be made to the executive. The exercise periods are to be set at the date of grant. The stock option grants may contain vesting provisions in accordance with the Stock Option Plan. As of the date hereof, the Issuer has not granted any options to its Directors and Named Executive Officers. See "Options to Purchase Securities" above

Summary Compensation Table

The Issuer

The following table sets forth the value of the compensation, excluding compensation securities, of the Issuer's directors and Named Executive Officers, for the year ended December 31, 2023 and the period from incorporation on April 27, 2022 to December 31, 2022:

Name and principal position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Victor Cantore(1) *Former Chief Executive Officer, President and Director* (1)	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Véronique Laberge(2) *Former Chief Financial Officer*	2023	Nil	Nil	Nil	Nil	$12,900	$12,900
	2022	Nil	Nil	Nil	Nil	$8,000	$8,000
Eric Allard *Director (former Chief Executive Officer)*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Nicholas Coltura *Former Director*	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
(1) Victor Cantore was appointed as Chief Executive Officer and as a director on April 27, 2022 and resigned on March 21, 2024.
(2) Véronique Laberge was appointed as Chief Financial Officer and as a director on April 27, 2022 and resigned on November 29, 2024.

Avventura BC

The following table sets forth the value of the compensation, excluding compensation securities, of Avventura BC's directors and Named Executive Officers, for the years ended September 30, 2023 and September 30, 2024:

Name and principal position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Anthony Balic(1)	2024	Nil	Nil	Nil	Nil	Nil	Nil
Chief Executive Officer	2023	Nil	Nil	Nil	Nil	Nil	Nil
Mark Lotz(2)	2024	Nil	Nil	Nil	Nil	44,826	44,826
Chief Financial Officer, Corporate Secretary and Director (former Chief Executive Officer and President)	2023	Nil	Nil	Nil	Nil	10,563	10,563
John Pallot	2024	Nil	Nil	Nil	Nil	Nil	Nil
Director(3)	2023	Nil	Nil	Nil	Nil	Nil	Nil
John Hiner	2024	Nil	Nil	Nil	Nil	Nil	Nil
Director(4)	2023	Nil	Nil	Nil	Nil	Nil	Nil

Notes:
(1) Anthony Balic was appointed as Chief Executive Officer on February 28, 2023.
(2) Mark Lotz was appointed as Chief Executive Officer, President and a director on April 7, 2022, and resigned as Chief Executive Officer and President on February 28, 2023. Mark Lotz was appointed Chief Financial Officer and Corporate Secretary on February 28, 2023.
(3) John Pallot was appointed as a director on February 28, 2023.
(4) John Hiner was appointed as a director on April 7, 2022.

External Management Companies

None of the Issuer's Named Executive Officers is or was an employee of the Issuer.

As of the date of this Prospectus, the Issuer has not executed any employment or consulting agreements with any of its directors or Named Executive Officers.

Stock Options and Other Compensation Securities

As of the date hereof, neither the Issuer nor Avventura BC has granted any options to its Directors and NEOs. See "Options and Other Rights to Purchase Securities" above for a description of the material terms of the Issuer's Stock Option Plan.

There have been no securities exercised by directors of the Issuer or Avventura BC or Named Executive Officers for the year to the date of the filing of this Prospectus.

Employment, Consulting and Management Agreements

On July 1, 2022, the Issuer entered into an administrative services agreement (the "Matalia Agreement") with Matalia Investments Ltd. ("Matalia"). Matalia is a private company controlled by Robert Coltura who is the father of Nicholas Coltura, a former Director. Pursuant to the Matalia Agreement, Matalia was to provide general administrative services and advice to the Board of Directors, management of the Issuer's finances (pursuant to directions from the Issuer), and general liaison and instruction of the Issuer's legal, accounting and financial advisors on behalf of the Issuer. Under the Matalia Agreement, the Issuer appointed Robert Coltura, the principal of Matalia, as an authorized signatory for the purposes of the Issuer's bank accounts. As remuneration for services provided to the Issuer under the Matalia Agreement, the Issuer agreed to pay Matalia the amount of $4,000 per month plus applicable taxes. The Matalia Agreement may be terminated by either party by way of written notice to the other party. If the Issuer terminated the

Matalia Agreement, the Issuer agreed to provide Matalia with working notice, payment in lieu of working notice or a combination thereof, equal to three months of the fees payable under the Matalia Agreement. The Matalia Agreement was terminated in January 2024 upon mutual agreement of the Issuer and Matalia.

Avventura BC entered into an administrative services agreement (the "Avventura BC Matalia Agreement") with Matalia effective February 15, 2023, and upon completion of the Transaction, the Avventura BC Matalia Agreement was terminated and the Issuer entered into a new administrative services agreement with Matalia effective as of November 29, 2024, on substantially the same terms as the Avventura BC Matalia Agreement.

Proposed Compensation

During the next 12 months, the Issuer proposes to pay the following compensation to its Named Executive Officers and directors:

Name and Principal Position	Salary	All Other Compensation	Total Compensation
Anthony Balic *Chief Executive Officer and President*	$30,000	Nil	$30,000
Mark Lotz *Chief Financial Officer and Corporate Secretary*	Nil	$10,000	$10,000
John Pallot *Director*	Nil	Nil	Nil
John Hiner *Director*	Nil	Nil	Nil
Eric Allard *Director*	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Issuer or any associate of any of them, was indebted to the Issuer as at December 31, 2023, or is currently indebted to the Issuer at the date of this Prospectus.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

National Instrument 52-110 – *Audit Committees* ("NI 52-110"), NI 41-101 and Form 52-110F1 require the Issuer to disclose certain information relating to the Issuer's audit committee (the "Audit Committee") and its relationship with the Issuer's independent auditors.

Audit Committee Charter

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board of Directors and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. On February 13, 2023, the Board of Directors adopted a charter delineating the Audit Committee's responsibilities. The text of the Audit Committee's charter is attached hereto as Schedule "F".

Composition of Audit Committee

The members of the Audit Committee are set out below:

John Pallot (Chairman)	Independent(1)	Financially literate(2)
John Hiner	Independent(1)	Financially literate(2)
Eric Allard	Not Independent	Financially literate(2)

Notes:
(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Issuer, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Issuer's financial statements.

Relevant Education and Experience

Each member of the Issuer's present Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Issuer to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Issuer's financial statements or experience actively supervising individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

John Pallot: Mr. Pallot has numerous years of experience with mineral exploration, mining development, and public companies and is familiar with the financial reporting requirements applicable to public companies in Canada.

John Hiner: Mr. Hiner has several years of experience with mineral exploration and mining development companies, including as a member of the audit committees of several reporting issuers. Mr. Hiner is familiar with the financial reporting requirements applicable to public companies in Canada.

Eric Allard: Mr. Allard has numerous years of experience with mineral exploration, mining development, and public companies and is familiar with the financial reporting requirements applicable to public companies in Canada.

Audit Committee Oversight

The Audit Committee was established on February 13, 2023 and will, among other things, make recommendations to the Board of Directors to nominate or compensate an external auditor. At no time since the commencement of the Issuer's most recent completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Issuer's most recently completed financial period has the Issuer relied on the exemptions in Sections 2.4, 3.2, 3.4, 3.5, 3.6 or Part 8 of NI 52-110, or an exemption from subsections 3.3(2) of NI 52-110. The Issuer is relying on the exemption in Section 6.1 of NI 52-110 regarding the composition of the Audit Committee.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. However, the Issuer's Audit Committee Charter states that Audit Committee must pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Issuer by the Auditor.

External Auditor Service Fees

The following table sets out the aggregate fees billed by the Issuer's external auditor its last two fiscal years in the category of fees described:

	December 31, 2023	December 31, 2022
Audit Fees	$18,000	$20,000
Audit Related Fees	$Nil	$Nil
Tax Fees	$Nil	$Nil
All Other Fees	$Nil	$Nil
TOTAL:	$18,000	$20,000

Corporate Governance

General

The Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Issuer. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") prescribes certain disclosure by the Issuer of its corporate governance practices. This disclosure is presented below.

Board of Directors

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors within the meaning of NI 52-110.

The Board is currently comprised of four directors, of whom John Hiner and John Pallot are independent for the purposes of NI 52-110. Eric Allard is not independent as Mr. Allard served as Chief Executive Officer of the Issuer within the last two years, and Mark Lotz is not independent as Mr. Lotz serves as Chief Financial Officer and Corporate Secretary of the Issuer. Therefore, the Board is not comprised of a majority of independent directors, and, in order to further facilitate the exercise of independent supervision over the Issuer's management, the Board carefully examines the issues before it, consults with outside counsel and other advisors as necessary and encourages the independent directors to regularly and independently confer amongst themselves.

Directorships

Certain of the Issuer's directors are also currently directors of other reporting issuers as follows:

Name	Reporting Issuer (Exchange/Market: Trading Symbol)
Mark Lotz	Gnomestar Craft Inc. (formerly, Vodis Pharmaceuticals Inc.) (CSE: GNOM) Intrepid Metals Corp. (formerly Voleo Trading Systems Inc.) (TSXV: INTR) Leopard Lake Gold Corp. (CSE: LP)
Eric Allard	Tantalex Lithium Resources Corporation (CSE: TTX)
John Hiner	Golden Lake Exploration Inc. (CSE: GLM) Athena Gold Corporation (CSE: ATHA)

Name	Reporting Issuer (Exchange/Market: Trading Symbol)
John Pallot	Klondike Gold Corp. (TSXV: KG) AD4 Capital Corp. (TSXV-ADJ)

Board Mandate

The Board of Directors has not adopted a written mandate or code delineating the Board's roles and responsibilities, since it believes it is adequately governed by the requirements of applicable corporate and securities common and statute law which provide that the Board has responsibility for the stewardship of the Issuer. That stewardship includes responsibility for strategic planning, identification of the principal risks of the Issuer's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Issuer's internal control and management information systems.

Orientation and Continuing Education

The Board of Directors provides an overview of the Issuer's business activities, systems and business plan to all new directors. New director candidates have free access to any of the Issuer's records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Issuer. The Directors are encouraged to update their skills and knowledge by taking courses and attending professional seminars.

Ethical Business Conduct

The Board of Directors believes good corporate governance is an integral component to the success of the Issuer and to meet responsibilities to shareholders. Generally, the Board of Directors has found that the fiduciary duties placed on individual directors by the Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Issuer. The Board of Directors is also responsible for applying governance principles and practices, and tracking development in corporate governance, and adapting "best practices" to suit the needs of the Issuer. Certain of the Directors of the Issuer may also be directors and officers of other companies, and conflicts of interest may arise between their duties. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as applicable under the CBCA.

Nomination of Directors

The Board of Directors has not formed a nominating committee or similar committee to assist the Board of Directors with the nomination of directors for the Issuer. The Board of Directors considers itself too small to warrant creation of such a committee, and each of the Directors has contacts he can draw upon to identify new members of the Board of Directors as needed from time to time. The Board of Directors will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Issuer. As required, directors will recommend suitable candidates for consideration as members of the Board of Directors.

Compensation

The Board of Directors reviews the compensation of its directors and executive officers annually. The Directors will determine compensation of directors and executive officers taking into account the Issuer 's business ventures and the Issuer 's financial position.

Other Board Committees

The Board has no committee other than the Audit Committee.

Assessments

The Board of Directors has not implemented a process for assessing its effectiveness. As a result of the Issuer's small size and the Issuer's stage of development, the Board of Directors considers a formal assessment process to be inappropriate at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis. The Board of Directors does not formally assess the performance or contribution of individual Board members or committee members.

PLAN OF DISTRIBUTION

The Offering consists of 6,000,000 Common Shares at a price of $0.10 per Common Share, to raise gross proceeds of $600,000 (assuming the Over-Allotment Option is not exercised), and will be conducted through the Agent in the provinces of British Columbia, Alberta and Ontario, subject to compliance with all legal requirements and the terms and conditions contained in the Agency Agreement. For a summary of the material attributes and characteristics of the Common Shares and certain rights attaching thereto, see "Description of Securities Distributed".

This Offering is subject to the completion of a minimum subscription of 6,000,000 Common Shares for gross proceeds to the Issuer of $600,000, which proceeds shall be held by the Agent pending the completion of the Offering. The Offering will remain open until the date that is 90 days after a receipt is issued for the final Prospectus, unless an amendment to the final Prospectus is filed and the principal regulator has issued a receipt for the amendment, in which case the Offering must cease within 90 days after the date of the receipt for the amendment to the final Prospectus. In any event, the Offering must cease at the latest 180 days from the date of the receipt for the final Prospectus. If the minimum subscription is not completed within the distribution period for the Offering, all subscription monies will be returned to Subscribers without interest or deduction. Subscriptions for the Common Shares will be received and subject to rejection or allotment in whole or in part by the Issuer and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, the subscription price and the subscription agreement will be returned to the Subscriber forthwith without interest or deduction.

The Offering Price was determined by negotiation between the Issuer and the Agent.

The Issuer has granted to the Agent the Over-Allotment Option exercisable, in whole or in part, from time to time until the date which is 30 calendar days following the Closing Day, to sell an additional (up to a maximum of) 900,000 Over-Allotment Shares at the Offering Price.

This Prospectus also qualifies the distribution of: (i) the 700,000 Common Shares issuable to the Optionors in respect of the Property and the Kabik Lake Property (such Common Shares will be issued in accordance with the schedules set out under the heading "General Development of the Business" above); and (ii) the 1,095,630 Common Shares issued at a price of $0.10 to settle legal fees of $109,563 which were acquired on a prospectus-exempt basis in the province of British Columbia. There is currently no market through which the warrants of the Issuer, including the Compensation Warrants, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the warrants purchased, distributed or qualified under this prospectus.

<u>The Agent</u>

Pursuant to the Agency Agreement, the Issuer has engaged the Agent as its exclusive agent for the purposes of the Offering. The Offering Price and terms of the Offering were established through arm's length negotiation between the Issuer and the Agent, in accordance with the policies of the Exchange. The Agent has agreed to use its commercially reasonable efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of British Columbia, Alberta and Ontario. This Prospectus qualifies the distribution of the Common Shares (including the Over-Allotment Shares pursuant to the exercise of the Over-Allotment Option) to Subscribers in those jurisdictions. The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers, and investment dealers who may or may not be offered part of the Agent's Commission or Compensation Warrants derived from this Offering.

The Agent may terminate its obligations under the Agency Agreement by notice in writing to the Issuer at any time before the Closing if, on the basis of its assessment of the state of the financial markets or the market for the Common Shares, the Common Shares cannot be marketed profitably or upon the occurrence of certain other stated events. The Agent may also terminate its obligations under the Agency Agreement at any time upon the occurrence of certain events, such as the breach of any term of the Agency Agreement by the Issuer.

In connection with the Offering, the Issuer has agreed to pay the Agent and its sub-agents, if any, (A) a cash Agent's Commission equal to 10% of the aggregate gross proceeds of the Common Shares sold under the Offering; and, if applicable, the Over-Allotment Option and (B) a cash Corporate Finance Fee of $32,000 (plus GST), of which $15,000 inclusive of GST has been paid by the Issuer. The Issuer will also pay all reasonable costs and expenses of the Agent related to this Offering, including the Agent's legal fees and disbursements, of which $15,000 has been paid by the Issuer as a retainer.

In addition, upon successful completion of the Offering, the Agent is entitled to receive, as part of its remuneration, Compensation Warrants entitling the holder thereof to purchase that number of Common Shares equal to 10% of the number of Common Shares issued pursuant to this Offering and, if applicable, the Over-Allotment Option. The Compensation Warrants will be exercisable at a price of $0.10 per Common Share for a period of 24 months from the Closing Day.

The Issuer has agreed not to issue, sell, grant or announce any intention to issue, sell or grant any additional equity or quasi-equity securities for a period of 120 days after the closing of the Offering without the prior written consent of the Agent, which consent shall not be unreasonably withheld by the Agent, except in conjunction with: (i) the grant or exercise of Options and other similar issuances pursuant to the Stock Option Plan and other similar incentive plans; (ii) the exercise of any outstanding warrants or Compensation Warrants; (iii) obligations in respect of existing mineral property agreements, including the Property Option Agreement; and (iv) the issuance of securities in connection with property or share acquisitions in the normal course of business. Further, the Issuer has agreed to grant the Agent a right of first refusal to provide any brokered equity financing that the Issuer proposes to conduct for a period ending one year from the Closing Day.

Pursuant to NI 41-101 the aggregate number of securities which may be distributed under a prospectus to an Agent as compensation must not exceed 10% of the Common Shares offered pursuant to this Prospectus, which in the case of this Offering (and assuming the exercise of the Over-Allotment Option in full) is 690,000 securities. For the purposes of this Offering, up to an aggregate of 690,000 Compensation Warrants are Qualified Compensation Securities and are qualified for distribution by this Prospectus.

Listing of Common Shares on the Exchange

The Issuer has applied to list its Common Shares on the Exchange. Listing of the Common Shares on the Exchange will be subject to the Issuer fulfilling all of the requirements of the Exchange, including public distribution requirements. Confirmation of the Listing of the Common Shares on the Exchange as of the Closing Day is a condition of Closing.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

RISK FACTORS

The Issuer is in the business of exploring mineral properties, which is a highly speculative endeavor. A purchase of any of the securities offered hereunder involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities offered hereunder should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities offered hereunder.

Insufficient Capital

The Issuer does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, and for the exploration and development of the Property, if warranted, the

Issuer will require additional funds which may be obtained through various financing transactions or arrangements, including joint venturing of projects, debt financing, equity financing or other means. Additional financing may not be available when needed or, if available, the terms of such financing might not be favorable to the Issuer and might involve substantial dilution to existing shareholders. The Issuer may not be successful in locating suitable financing transactions in the time period required or at all.

A failure to raise capital when needed would have a material adverse effect on the Issuer's business, financial condition and results of operations, and could result in the loss of the Issuer's interest in its properties. Any future issuance of securities to raise required capital will likely be dilutive to existing shareholders. In addition, debt and other debt financing may involve a pledge of assets and may be senior to interests of equity holders. The Issuer may incur substantial costs in pursuing future capital requirements, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. The ability to obtain needed financing may be impaired by such factors as the capital markets, the price of commodities and/or the loss of key management personnel. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration or development, including further exploration, if warranted, at the Property.

Financing Risks

The Issuer has no history of earnings and, due to the nature of its business, there can be no assurance that the Issuer will be profitable. The Issuer has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Issuer is through the sale of its Common Shares. Even if the results of exploration are encouraging, the Issuer may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any of its properties. While the Issuer may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to the Issuer, or at all. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Limited Operating History and Negative Operating Cash Flow

The Issuer has no history of earnings. There are no known commercial quantities of mineral reserves on the Property. The purpose of this Offering is to raise funds to carry out exploration and development on the Property with the objective of establishing economic quantities of mineral reserves.

To the extent that the Issuer has a negative operating cash flow in future periods, the Issuer may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Issuer may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Issuer.

Loss of Entire Investment

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Issuer.

Resale of the Issuer's Securities

The continued operation of the Issuer will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Issuer is unable to generate such revenues or obtain such additional financing, any investment in the Issuer may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

Before this Offering, there has been no public market for the Issuer's Common Shares or convertible securities. An active public market for the Common Shares might not develop or be sustained after this Offering. The Offering Price of the Common Shares has been determined by negotiations between the Issuer and the Agent, and such Offering Price will not necessarily reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the Offering Price to the public.

Dilution from Equity Financing could Negatively Impact Holders of Common Shares Offered Pursuant to this Prospectus

The Issuer may from time to time raise funds through the issuance of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. The Issuer cannot predict the size or price of future issuances of Common Shares or the size or terms of future issuances of debt instruments or other securities convertible into Common Shares, or the effect, if any, that future issuances and sales of the Issuer's securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales or issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, or securities convertible into Common Shares, investors will suffer dilution to their voting power and the Issuer may experience dilution in its earnings per Common Share.

Property Interests

The Issuer does not own the mineral rights pertaining to the Property and the Kabik Lake Property. Rather, it holds options to acquire 100% interests in same. There is no guarantee the Issuer will be able to raise sufficient funding in the future to maintain its interests therein. If the Issuer loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange or applicable regulatory authorities. There is also no guarantee that the Exchange will approve the acquisition of any additional mineral property interests by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional property interests.

In the event that the Issuer acquires 100% interests in the Property and the Kabik Lake Property, there is no guarantee that title to the properties will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers of aboriginal or indigenous land claims or may be affected by undetected defects. Surveys have not been carried out on the Property and the Kabik Lake Property, therefore, in accordance with the laws of the jurisdiction in which the properties are situated; their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Issuer can give no assurance as to the validity of title of the Issuer to those lands or the size of such mineral lands.

Assurance of Right and Title

Ownership in mineral property interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the frequently ambiguous conveyance history characteristics of many mineral properties. The Issuer has taken steps to attempt to ensure that proper title to the Property and the Kabik Lake Property has been obtained. Despite the due diligence conducted by the Issuer, there is no guarantee that the Issuer's title or right to conduct exploration and development work on the properties will not be challenged or impugned. The Issuer's mineral property interests may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected defects.

If the Issuer loses or abandons or loses its interest in the Property, there is no assurance that the Issuer will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange or applicable regulatory authorities. There is also no guarantee that the Exchange will approve the acquisition of any additional mineral property interests by the Issuer, whether by way of option or otherwise, should the Issuer wish to acquire any additional property interests.

First Nations Land Claims

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in *Tsilhqot'in Nation v. British Columbia* (the "Tsilhqot'in Decision") marked the first time in Canadian history that a court has declared First Nations title to lands outside of reserve land. The Property and the Kabik Lake Property may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Issuer's ownership interest in the Property and the Kabik Lake Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the properties are located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Issuer's activities. Even in the absence of such recognition, the Issuer may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on the Property and the Kabik Lake Property, there is no assurance that the Issuer will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop its properties.

There is a risk that the Tsilhqot'in Decision may lead other communities or groups to pursue similar claims in areas where the Property and the Kabik Lake Property are located. Although the Issuer relies on the Crown to adequately discharge its obligations in order to preserve the validity of its actions in dealing with public rights, the Issuer cannot accurately predict whether aboriginal claims will have a material adverse effect on the Issuer's ability to carry out its intended exploration and work programs on the Property.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors which are beyond the control of the Issuer and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Issuer not receiving an adequate return of investment capital.

The Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Issuer.

There is no assurance that the Issuer's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Issuer's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

In the event the Issuer is fortunate enough to discover a mineral deposit, the economics of commercial production depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Issuer may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Issuer.

Permits and Government Regulations

The future operations of the Issuer may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Issuer will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property. The Issuer currently does not have any permits in place.

Environmental Laws and Regulations

Environmental laws and regulations may affect the operations of the Issuer. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Issuer for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Issuer generally relies on recognized designers and development contractors from which the Issuer will, in the first instance, seek indemnities. The Issuer intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Issuer's operations more expensive.

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

No Commercial Ore

The Property on which a portion of the proceeds of the Offering is to be expended does not contain any known amounts of commercial ore.

Competition

The mining industry is intensely competitive in all its phases and the Issuer competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Issuer's ability to acquire suitable properties or prospects in the future.

Management and Directors

The success of the Issuer is currently largely dependent on the performance of its officers. The loss of the services of these persons will have a materially adverse effect on the Issuer's business and prospects. There is no assurance the Issuer can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

The Issuer has made certain forward-looking statements in this Prospectus regarding the future plans and intentions of the Issuer. Investors are cautioned that while the Issuer presently believes such statements to be accurate, the current Board of Directors and management of the Issuer do not have the power to irrevocably bind future Boards of Directors, management or shareholders of the Issuer and, accordingly, cannot guarantee that such plans and intentions will be fulfilled by the Issuer, if any.

Fluctuating Mineral Prices

The Issuer's revenues, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Issuer may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Issuer's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. Currency fluctuations may affect the cash flow which the Issuer may realize from its operations, since most mineral commodities are sold in the world market in United States dollars. Declines in metal prices may have a negative side effect on the Issuer and on the trading value of the Common Shares.

Litigation

The Issuer may from time to time be involved in various claims, legal proceedings and disputes arising from disputes in relation to its mineral properties, including the Property, and in the ordinary course of business. If such disputes arise and the Issuer is unable to resolve these disputes favourably, it may have a material and adverse effect on the Issuer's profitability or results of operations and financial condition.

Conflicts of Interest

Certain of the directors of the Issuer serve as directors of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the directors of the Issuer may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the board of directors of the Issuer, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

Dividends

The Issuer does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to the circumstances by each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisors prior to subscribing for Common Shares. See "Eligibility for Investment".

PROMOTERS

Anthony Balic can be considered to be a promoter of the Issuer in that he took the initiative in reorganizing the business of the Issuer. Mr. Balic beneficially holds, directly or indirectly, a total of 550,000 (2.108%) of the Issuer's currently issued and outstanding Common Shares. Mr. Balic is the Chief Executive Officer and President of the Issuer. See "Principal Shareholders" and "Directors and Officers" above for further details.

LEGAL PROCEEDINGS

Neither the Issuer, the Issuer's property nor the Property or Kabik Lake Property is or has been a party to or the subject of any legal proceedings, penalties or sanctions imposed by a court or regulatory authority, or settlement agreements before a court or regulatory authority since the beginning of its most recently completed financial year, and no such legal proceedings, penalties or sanctions are known by the Issuer to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors, senior officers and principal shareholders of the Issuer, a person or company that beneficially owns or controls or directs, directly or indirectly more than 10% of the Common Shares of the Issuer, or any associate or affiliate of the foregoing have had any material interest, direct or indirect, in any transactions in which the Issuer has participated within the three year period prior to the date of this Prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Issuer.

RELATIONSHIP BETWEEN THE ISSUER AND AGENT

The Issuer is not a related party or connected party to the Agent (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

AUDITORS

The auditor of the Issuer is Manning Elliott LLP, Chartered Professional Accountants, of Suite 1700, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Issuer is TSX Trust Company of 650 West Georgia Street, Suite 2700, Vancouver, British Columbia, V6B 4N9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer since the incorporation of the Issuer to the date of this Prospectus that are still in effect:

1. Property Option Agreement, referred to under "General Development of the Business".

2. Amending Agreement, referred to under "General Development of the Business".

3. Stock Option Plan referred to under "Options to Purchase Securities".

4. Escrow Agreement referred to under "Escrowed Shares".

5. Agency Agreement, referred to under "Plan of Distribution".

6. Share Exchange Agreement, referred to under "General Development of the Business".

A copy of any material contract and the Technical Report may be inspected during the Offering of the Common Shares being offered under this Prospectus and for a period of 30 days thereafter during normal business hours at the Issuer's registered office at 9285 203B Street, Langley, British Columbia, V1M 2L9. As well, the Technical Report is available for viewing on SEDAR+ located at: www.sedarplus.ca, and copies of all material contracts will be made available for viewing on SEDAR+.

EXPERTS

Except as disclosed below, no person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Issuer or any associate or affiliate of the Issuer.

Certain legal matters related to this Offering will be passed upon on behalf of the Issuer by Lotz & Company and by Vantage Law Corporation on behalf of the Agent. Jonathan Lotz, the principal of Lotz & Company, owns 1,895,630 Common Shares, of which 800,000 are held directly and 1,095,630 Common Shares are held indirectly through Lotz & Company, representing an aggregate 6.97% of the Issuer's issued and outstanding Common Shares as at the date of this Prospectus. Employees of Lotz & Company own less than 1% of the Issuer's issued and outstanding Common Shares as at the date of this Prospectus.

Legal matters referred to under "Eligibility for Investment" will be passed upon by Thorsteinssons LLP on behalf of the Issuer.

Brian H. Newton, P. Geo , the Author of the Technical Report on the Property, is independent from the Issuer within the meaning of NI 43-101.

Manning Elliott LLP, Chartered Professional Accountants is the auditor of the Issuer. Manning Elliott LLP has informed the Issuer that it is independent of the Issuer within the meaning of the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia (ICABC).

WDM Chartered Professional Accountants is the former auditor of the Issuer.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia, Alberta and Ontario provides Subscribers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus and any amendment contain a misrepresentation or is not delivered to the Subscriber, provided that the remedies for rescission, revisions of the price or damages are exercised by the Subscriber within the time limit prescribed by the securities legislation of the Subscriber's province or territory. The Subscriber should refer to any applicable provisions of the securities legislation of the Subscriber's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

The following financial information is included herein:

SCHEDULE "A"	The Issuer's Audited Financial Statements for the financial year ended December 31, 2023 and for the period from incorporation to December 31, 2022, and its unaudited financial statements for the three month period ended December 31, 2024.
SCHEDULE "B"	The Issuer's Management's Discussion and Analysis for the financial year ended December 31, 2023 and for the period from incorporation to December 31, 2022, and its Management's Discussion and Analysis for the three month period ended December 31, 2024.
SCHEDULE "C"	Avventura BC's Audited Financial Statements for the financial years ended September 30, 2024 and September 30, 2023.
SCHEDULE "D"	Avventura BC's Management's Discussion and Analysis for the financial years ended September 30, 2024 and September 30, 2023.
SCHEDULE "E"	The Issuer's Pro Forma Financial Statements as at September 30, 2024.

SCHEDULE "A"

Audited Financial Statements for the financial year ended December 31, 2023 and for the period from incorporation to December 31, 2022, and its unaudited financial statements for the three month period ended December 31, 2024

See attached.

HORWOOD EXPLORATION CORP.

Financial Statements

For the year ended December 31, 2023 and the period from incorporation on April 27, 2022 to December 31, 2022

(Expressed in Canadian Dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of:
HORWOOD EXPLORATION CORP

SERVICE

INTEGRITY

TRUST

Opinion

We have audited the accompanying financial statements of Horwood Exploration Corp, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive loss, changes in equity (deficiency) and cash flows for the year ended December 31, 2023 and for the period from April 27, 2022 to December 31, 2022, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of financial position of the Company as at December 31, 2023 and 2022, and its financial performance and cash flows for the year ended December 31, 2023 and for the period from April 27, 2022 to December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $288,049 during the year ended December 31, 2023, and, as of that date, the Company has no source of operating cash flows. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of the auditor's report includes Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

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

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

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WDM

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
April 29, 2024

Horwood Exploration Corp.
Statements of Financial Position
As at December 31
(Expressed in Canadian Dollars)

	Note	**2023**	2022
		$	$
ASSETS			
CURRENT			
Cash		**9,439**	149,657
Sales tax receivable		**3,884**	-
Prepaid expenses		**1,735**	4,750
		15,058	154,407
NON-CURRENT			
Exploration and evaluation assets	4	**24,000**	24,000
TOTAL ASSETS		**39,058**	178,407
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		**172,310**	43,610
SHAREHOLDERS' EQUITY			
Share capital	5	**368,488**	128,988
Share subscriptions received		**-**	219,500
Deficit		**(501,740)**	(213,691)
		(133,252)	134,797
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**39,058**	178,407

Nature of operations and going concern (Note 1)
Subsequent events (Note 10)

Approved on behalf of the Board of Directors:

"*Eric Allard* "
Eric Allard, CEO and Director

"*Veronique Laberge*"
Veronique Laberge, CFO and Director

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

Horwood Exploration Corp.
Statements of Loss and Comprehensive Loss
For the year ended December 31, 2023 and
The period from incorporation on April 27, 2022 to December 31, 2022
(Expressed in Canadian Dollars)

	Note	2023	2022
		$	$
EXPENSES			
Administrative		**14,183**	6,190
Consulting fees	6	**46,650**	21,425
Filing fees		**21,403**	-
Exploration costs	4	**5,682**	138,868
Professional fees	6	**176,534**	43,458
Rent		**7,500**	3,750
Travel and meals		**16,097**	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		**(288,049)**	(213,691)
Loss per share - basic and diluted		**(0.02)**	(0.08)
Weighted average number of common shares outstanding - basic and diluted		**15,170,229**	2,720,968

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

Horwood Exploration Corp.
Statements of Changes in Shareholders' Equity
For the year ended December 31, 2023 and
The period from incorporation on April 27, 2022 to December 31, 2022
(Expressed in Canadian Dollars)

	Note	Number of common shares	Share capital $	Share subscriptions received $	Deficit $	Total shareholders' equity $
Balance, January 1, 2023		**4,900,000**	**128,988**	**219,500**	**(213,691)**	**134,797**
Shares issued	5	**10,850,000**	**239,500**	**(219,500)**	**-**	**20,000**
Net loss and comprehensive loss for the period		**-**	**-**	**-**	**(288,049)**	**(288,049)**
Balance, December 31, 2023		**15,750,000**	**368,488**	**-**	**(501,740)**	**(133,252)**
Balance, April 27, 2022		**-**	**-**	**-**	**-**	**-**
Shares issued	5	4,900,000	137,000	-	-	137,000
Share issuance costs	5	-	(8,012)	-	-	(8,012)
Share subscriptions received		-	-	219,500	-	219,500
Net loss and comprehensive loss for the period		-	-	-	(213,691)	(213,691)
Balance, December 31, 2022		4,900,000	128,988	219,500	(213,691)	134,797

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

Horwood Exploration Corp.
Statements of Cash Flows
For the year ended December 31, 2023 and
The period from incorporation on April 27, 2022 to December 31, 2022
(Expressed in Canadian Dollars)

	Note	**2023** **$**	2022 $
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net loss for the period		**(288,049)**	(213,691)
Changes in non-cash working capital			
Sales tax receivable		**(3,884)**	-
Prepaid expenses		**3,015**	(4,750)
Accounts payable and other liabilities		**128,700**	43,610
Cash used in operating activities		**(160,218)**	(174,831)
CASH FLOWS USED IN OPERATING ACTIVITY			
Acquisition of exploration and evaluation assets	4	**-**	(24,000)
Cash used in investing activities		**-**	(24,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of common shares, net of share issuance costs	5	**20,000**	128,988
Proceeds from subscriptions received	10	**-**	219,500
Cash provided from financing activities		**20,000**	348,488
CHANGE IN CASH DURING THE PERIOD		**(140,218)**	149,657
Cash, beginning of the period		**149,657**	-
Cash, end of the period		**9,439**	149,657

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Horwood Exploration Corp., ("Horwood" or "the Company"), was incorporated under the Canada Business Corporations Act on April 27, 2022. The Company's registered address and principal place of business is located at 9285 203B Street, Langley, British Columbia, V1M 2L9.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at December 31, 2023, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of the property, and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and indicates the existence of material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern.

For the year ended December 31, 2023, the Company reported a net loss and an accumulated deficit of $288,049 (2022 - $213,691) and a net working capital deficit of $157,252 (2022 - net working capital of $110,797), which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PRESENTATION, STATEMENT OF COMPLIANCE

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These financial statements were approved and authorized by the Board of Directors of the Company on April 29, 2024.

2.2 Basis of presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which have been measured at fair value as described in Note 9. The Company's reporting and functional currency is Canadian dollars, which is the currency of the primary economic environment in which the Company operates.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

3.1 Cash

The Company's cash is deposited with a major Canadian bank. As at December 31, 2023 and 2022, the Company did not hold any cash equivalents.

3.2 Exploration and evaluation assets

All expenditures related to the acquisition of mineral properties are capitalized on a property-by-property basis, net of recoveries which are recorded when received, until these mineral properties are placed into commercial production, sold or abandoned. If commercial production is achieved from a mineral property, the related mineral properties are tested for impairment and reclassified to mineral property in production. If a mineral property is sold or abandoned, the related capitalized costs will be expensed to profit or loss in that period.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.2 Exploration and evaluation assets (Continued)

All expenditures related to the exploration and evaluation of mineral properties, net of recoveries which are recorded when received, are expensed to net loss in the period in which they are incurred.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Although the Company has taken steps to verify title to the properties in which it has an interest in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

3.3 Share capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the market price of the shares of the Company at the date the agreement to issue the shares is reached.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. Under the residual value method, cash consideration received from the issuance of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants. Share issue costs are netted against share capital. Proceeds received for shares that have not yet been issued as at the reporting date are recorded as share subscriptions.

3.4 Flow-though shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for tax purposes by the investors who purchased the shares. While IFRS contains no specific guidance on accounting for flow-through shares, the Company has chosen to adopt the following accounting policy:

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.4 Flow-though shares (Continued)

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received as follows:

- Share capital – if there is no flow-through share premium available to be recognized, the proceeds of the flow-through unit will be attributed to share capital;
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature, i.e. the portion of share capital in excess of the market value of the shares without the flow-through features at the time of issue; and
- Warrants – due to the highly subjective nature of Black-Scholes option pricing model and the Company is a newly incorporated private company with no trading history, it is reasonable to attribute all the proceeds from flow-through units to share capital and flow-through share premium, if applicable.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period under the “Look-back” rule. The proceeds that were received in the year and not spent by December 31 of the same year were renounced under the “Look-back” rule and need to be spent by December 31 of the following year.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the “Look-back” Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

3.5 Basic and diluted loss per share

The basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options or warrants and contingent share consideration, in the weighted average number of common shares outstanding during the period, if dilutive. The “treasury stock method” is used for the assumed proceeds upon the exercise of the options that are used to purchase common shares at the average market price during the year. Shares to be issued have been considered outstanding from the date of their issuance for the purposes of basic loss per share calculations.

3.6 Share-based payments

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Shares issued for other than cash consideration are valued at either: (i) the fair value of the asset acquired or the fair value of the liability extinguished at the measurement date under current market conditions, or (ii) the market price of the shares of the Company at the date the agreement to issue the shares is reached.

3.7 Related party transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.8 Income Tax

The Company uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.9 Financial instruments

A) Financial assets:

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A trade receivable without a significant financing component is initially measured at the transaction price. All other financial asset and financial liabilities are initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

On initial recognition, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The primary measurement categories for financial assets are as follows: measured at amortized cost, fair value through other comprehensive income (“FVTOCI”) and fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost, as described above, or at FVOCI are measured at FVTPL. This includes all derivative financial assets.

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted estimate of credit losses, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.9 Financial instruments (Continued)

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the statement of financial position as a deduction from the gross carrying amount of the financial asset. Given the limited exposure of the Company to credit risk, no loss allowance has been recognized as management believes any such impairment will not have a significant impact on the financial statements.

Financial assets are written off when the Company has no reasonable expectation of recovering all or any portion thereof.

B) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3.10 Use of management estimates, judgments and measurement uncertainty

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of these financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of these financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant judgments made by management in the preparation of these financial statements are outlined below:

Going concern

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment-based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 1 for further information.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

3.10 Use of management estimates, judgments and measurement uncertainty (Continued)

Exploration and evaluation assets

Significant judgments are made in:

- determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases;

- determining whether to test for impairment of exploration and evaluation assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit.

This requires management to make several assumptions as to future events or circumstances.

These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

Recognition of deferred tax assets and measurement of income tax expense

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on assessment of the Company's ability to use the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

3.11 New accounting standards and interpretations

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material accounting policies instead of its significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Company adopted the amendments effective January 1, 2023, with no material impact to the financial statements for 2023.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Horwood Property $
Balance – April 27, 2022	-
Additions	24,000
Balance – December 31, 2022	24,000
Balance – December 31, 2023	**24,000**

Horwood Property, Ontario, Canada

On May 4, 2022, the Company signed an option agreement to acquire 100% interest in a property of 35 mining claims, 90 kilometers southwest of Timmins in the Sudbury District of Ontario at a price of $124,000 and 500,000 common shares of the Company. An initial payment of $24,000 was made during the period ended December 31, 2022. The remaining balance is due as follows:

- A payment $25,000 in cash and the issuance of 500,000 common shares of the Company on the date of the listing of the Company on the Canadian Securities Exchange ("CSE");
- A payment of $30,000 in cash on the first anniversary date of the listing of the Company on the CSE;
- A payment of $45,000 in cash on the second anniversary date of the listing of the Company on the CSE.

The following is a summary of exploration costs incurred for the year ended December 31, 2023:

	Horwood Property $
Geological consulting	**5,282**
Property cost	**400**
Total exploration costs	**5,682**

The following is a summary of exploration costs incurred for the period from April 27, 2022 to December 31, 2022:

	Horwood Property $
Geological prospecting and survey	**117,646**
Geological consulting	**21,222**
Total exploration costs	**138,868**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL

The following details the share capital of Horwood Exploration Corp.

a) ***Authorized***

The Company is authorized to issue an unlimited number of common shares without par value.

b) ***Issued***

All issued shares were fully paid and nil common shares are held in escrow.

Movement in the Company's share capital are as follows:		**Number of shares**	**Amount $**
Balance, April 27, 2022		-	-
Shares issued for cash - to founders	(i)	2,400,000	12,000
Shares issued for cash - private placements	(ii), (iii)	2,500,000	125,000
Share issuance costs		-	(8,012)
Balance, December 31, 2022		4,900,000	128,988
Shares issued for cash - private placements	(iv), (v), (vi)	10,850,000	239,500
Balance, December 31, 2023		15,750,000	368,488

(i) On June 17, 2022, the Company issued 2,400,000 common shares to founders of the Company at $0.005 per share, for gross proceeds of $12,000.

(ii) On August 19, 2022, the Company closed the first tranche of a private placement of 1,250,000 units which comprise one flow-through share and one-half warrant at a price of $0.02 per unit for gross proceeds of $25,000. Each warrant entitles the holder to purchase one common share for a period of 2 years at an exercise price of $0.05 per share.

(iii) On December 2 and December 9, 2022, the Company closed two tranches of a private placement of a total of 1,250,000 non-flow through units which comprise one common share and one-half warrant at a price of $0.08 per unit for gross proceeds of $100,000. Each warrant entitles the holder to purchase one common share for a period of 2 years at an exercise price of $0.10 per share.

(iv) On January 20, 2023, the Company closed the final tranche of a private placement of 4,375,000 flow-through units which comprise one flow-through share and ½ warrant at an agreed price of $0.02 per unit for gross proceeds of $87,500. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.05 per share, for a period of 24 months from the date the Units were issued. This flow-through private placement is, in fact, a part of the above-mentioned flow-though private placement issued on August 19, 2022, which explains the price of $0.02 per flow-though unit.

(v) On January 20, 2023, the Company closed the final tranche of a private placement of 375,000 non-flow-through units which comprise one common share and ½ warrant at an agreed price of $0.08 per unit for gross proceeds of $30,000. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.10 per share, for a period of 24 months from the date the Units were issued.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

(vi) On January 20, 2023, the Company also closed a private placement of 6,100,000 non-flow-through units which comprise one common share and ½ warrant at an agreed price of $0.02 per unit for gross proceeds of $122,000. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.05 per share, for a period of 24 months from the date the Units were issued.

Summary of renunciations related to the tranches for flow through share issuances during the year ended December 31, 2023 and 2022 are as follows:

Flow-through share issued on August 19, 2022 for gross proceeds of $25,000

- As at December 31, 2023, the gross proceeds of $Nil remained unspent.

Flow-through share issued on January 20, 2023 for gross proceeds of $87,500

- As at December 31, 2023, the gross proceeds of $Nil remained unspent.

Under the Look-back rule (Note 3), the renunciation of exploration expenses comes into effect from the date of the subscription agreements. The subscription agreements of the above flow-through private placements have been approved and signed by the investors in August 2022. From August 2022 to December 31, 2023, $144,550 was spent on qualifying exploration activities in relation to flow-through shares issued during the year ended December 31, 2023 and 2022.

c) ***Warrants***

During the year ended December 31, 2023 and the period from incorporation April 27, 2022 to December 31, 2022, the Company's activities are as follows:

(i) During the period ended December 31, 2022, the Company issued 1,250,000 warrants in connection with two private placements offering ½ warrants exercisable at $0.05 and $0.10, respectively, over a two-year period for each unit purchased. These warrants were attributed nil value.

(ii) During the period ended December 31, 2023, the Company issued 5,425,000 warrants in connection with three private placements offering ½ warrants exercisable at $0.05 and $0.10, respectively, over a two-year period for each unit purchased. These warrants were attributed nil value.

The continuity of outstanding share warrants is as follows:

	Number of warrants	Weighted average exercise price per share $
Balance – April 27, 2022	-	-
Issued	625,000	0.10
Balance – December 31, 2022	**625,000**	**0.10**
Issued	3,237,500	0.10
Balance – December 31, 2023	**3,862,500**	**0.10**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

The continuity of outstanding flow-through warrants is as follows:

	Number of warrants	Weighted average exercise price per share $
Balance – April 27, 2022	-	-
Issued	625,000	0.05
Balance – December 31, 2022	**625,000**	**0.05**
Issued	2,187,500	0.05
Balance – December 31, 2023	**2,812,500**	**0.05**

All warrants outstanding are exercisable upon issuance. The following table provides additional information about outstanding share warrants as at December 31, 2023:

Exercise price	Number of warrants outstanding	Weighted average remaining life (years)
$0.05	**5,862,500**	0.89
$0.10	**812,500**	0.12
$0.07	**6,675,000**	1.01

6. RELATED PARTY TRANSACTIONS

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

Related party transactions include the following:

	Period ended December 31, 2023 $	Period ended December 31, 2022 $
Consulting fees paid to a key management consultant	**48,075**	21,425
Legal fees accrued to a legal firm in which a partner of the legal firm is the spouse of a Director of the Company	**123,823**	23,470
Professional fees for accounting services provided by the CFO	**12,900**	8,000

As at December 31, 2023, amounts due to related parties consist of $82,054 ($3,984 in 2022) to the legal firm and $10,000 ($8,000 in 2022) to the CFO, both amounts included as part of accounts payable and other liabilities.

(Expressed in Canadian Dollars)

7. INCOME TAXES

Income tax recovery differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26.5% to income before taxes. A reconciliation of income taxes at statutory rates is as follows:

	Period ended December 31, 2023 $	Period ended December 31, 2022 $
Net loss for the period	**(288,049)**	(213,691)
Statutory tax rate	**26.5%**	26.5%
Expected income tax recovery	**(76,333)**	(56,628)
Change in unrecognized deductible temporary differences	**76,333**	58,751
Share issuance costs	**-**	(2,123)
Current income tax expense	**-**	-

The significant components of the deferred tax assets (liabilities) of the Company are as follows:

	Period ended December 31, 2023 $	Period ended December 31, 2022 $
Deferred tax assets (liabilities):		
Exploration and evaluation assets	**38,173**	36,800
Non-capital losses	**95,635**	20,252
Share issuance costs	**1,274**	1,699
Net deferred tax assets not recognized	**135,082**	58,751

As at December 31, 2023, no deferred tax assets are recognized on the temporary differences as it is not probable that sufficient future taxable profits will be available to realize such assets.

The Company has non-capital losses of approximately $361,000 to reduce future income tax in Canada. The losses will expire in 2043.

8. CAPITAL MANAGEMENT

The Company manages its common shares and accumulated deficit as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk, as there are no external restrictions on it.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets in order to adjust the amount of cash on its balance sheet.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

9. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

The Company does not acquire, hold or issue derivative financial instruments for trading purposes.

Short-term financial instruments, comprising cash and accounts payable and other liabilities, are carried at amortized cost which, due to their short-term nature, approximates their fair value.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. The Company has a negative working capital of $157,252 as at December 31, 2023. There can be no assurance that such financing will be available on terms acceptable to the Company.

10. SUBSEQUENT EVENTS

On April 8, 2024, the Company closed a private placement of 1,000,000 units which comprise one common share and one warrant at an agreed price of $0.05 per unit for gross proceeds of $50,000. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.10 per share, for a period of 36 months from the date the Units were issued.

AVVENTURA RESOURCES LTD.
(Formerly HORWOOD EXPLORATION CORP.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

AVVENTURA RESOURCES LTD. (Formerly HORWOOD EXPLORATION CORP.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 and September 30, 2024
(Expressed in Canadian dollars unless otherwise indicated)

	Note		December 31 2024		September 30 2024
ASSETS					
CURRENT					
Cash		**$**	**13,738**	$	34,948
Goods and services tax receivable			**26,172**		24,866
Prepaid expenses			**15,577**		-
			55,487		59,814
EXPLORATION AND EVALUATION ASSETS	5		**179,067**		155,067
TOTAL ASSETS		**$**	**234,554**	$	214,881
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	7	**$**	**359,621**	$	175,030
TOTAL LIABILITIES			**359,621**		175,030
EQUITY (DEFICIT)					
Share capital	6		**840,353**		214,785
Shares subscriptions receivable			**(20,000)**		(39,838)
Reserves			**144,841**		144,841
Deficit			**(1,090,261)**		(279,937)
TOTAL EQUITY (DEFICIT)			**(125,067)**		39,851
TOTAL LIABILITIES AND DEFICIT		**$**	**234,554**	$	214,881

NATURE OF BUSINESS AND CONTINUING OPERATIONS (*Note 1*)
COMMITMENTS (*Note 10)*
SUBSEQUENT EVENT (*Note 11)*

Approved on behalf of the Board:

"John Pallot-"
Director

"Mark Lotz-"
Director

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

AVVENTURA RESOURCES LTD. (Formerly HORWOOD EXPLORATION CORP.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars unless otherwise indicated)

	Note		Three Months Ended December 31, 2024		Three Months Ended December 31, 2023
EXPENSES					
Interest and accretion		**$**	**132**	$	113
Reverse take-over expenses	4		**618,128**		-
Management fees	7		**11,500**		15,625
Office and administrative			**1,610**		5,797
Professional fees	7		**178,954**		
Total expenses			**810,324**		21,535
NET LOSS			**810,324**		21,535
TOTAL COMPREHENSIVE LOSS			**810,324**		21,535
LOSS PER SHARE – Basic and diluted			**(0.03)**		(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			**25,950,376**		10,875,001

AVVENTURA RESOURCES LTD.
(Formerly HORWOOD EXPLORATION CORP.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars unless otherwise indicated)

	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	**(810,324)**	(21,535)
Item not involving cash:		
Reverse take-over expenses	**618,128**	-
Non-cash acquisition of resource properties	**(24,000)**	-
Changes in non-cash working capital balances:		
Goods and services tax receivable	**(1,306)**	(961)
Prepaid expenses	**(15,577)**	-
Accounts payable and accrued liabilities	**191,869**	(22,939)
Cash used in operating activities	**(41,210)**	**(45,435)**
INVESTING ACTIVITIES		
Exploration and evaluation assets	**-**	(1,563)
Cash used in investing activities	**-**	(1,563)
FINANCING ACTIVITIES		
Issuance of common shares, net of issuance costs	**-**	12,500
Obligation to issue shares	**-**	(20,948)
Subscriptions receivable	**20,000**	20,180
Cash provided by financing activities	**20,000**	11,733
CHANGE IN CASH	**(21,210)**	(35,266)
CASH, BEGINNING OF THE PERIOD	**34,948**	54,618
CASH, END OF THE PERIOD	**13,738**	19,352

AVVENTURA RESOURCES LTD. (Formerly HORWOOD EXPLORATION CORP.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian dollars unless otherwise indicated)

		Common Shares					
		Number of Shares	**Amount**	**Share Subscriptions Advanced**	**Warrants Reserve**	**Deficit**	**Total**
	Note		$		$		
Balance, September 30, 2023		10,625,001	132,181	-	79,945	(99,958)	112,168
Shares issued for cash		250,000	12,500	-	12,473	-	24,973
Net loss and comprehensive loss for the period		-	-	-	-	(21,535)	(21,535)
Balance, December 31, 2023		10,875,001	144,681	-	92,418	(121,493)	115,606
Balance, September 30, 2024		12,511,368	214,785	(39,838)	144,841	(279,937)	39,851
Subscriptions receivable		-	-	19,838	-	-	19,838
Shares issued on reverse take-over	**4**	13,575,001	625,568	-	-	-	625,568
Net loss and comprehensive loss for the period		-	-	-	-	(810,324)	(810,324)
Balance, December 31, 2024		26,086,369	840,353	(20,000)	144,841	(1,090,261)	(125,067)

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Avventura Resources Ltd. (formerly Horwood Exploration Corp.) until its name changed on October 15, 2024, ("Avventura" or "the Company"), was incorporated under the Canada Business Corporations Act on April 27, 2022. The Company's registered address and principal place of business is located at 9285 203B Street, Langley, British Columbia, V1M 2L9.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at December 31, 2024, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

On November 29, 2024 the Company complete the acquisition of Avvenutra Resources (BC) Inc. pursuant to a share exchange agreement. As a result of the completion of this transaction, the former holders of Avventura Resources (BC) Inc. common shares held approximately 52% of the issued and outstanding common shares of the Company and former holders of Horwood Exploration Corp. shares held approximately 48% of the common shares of the Company. Refer to Note 4 for further details on the amalgamation. Post the transaction, as the majority of the board members and management originated from Avventura Resources (BC) Inc., the transaction was accounted for as a reverse take-over.

The Company had a deficit of $ 1,090,261 as at December 31, 2024, which has been funded by the issuance of equity. At December 31, 2024, the Company had a working capital deficiency of $304,134 (September 30, 2024 - $115,216) The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There is no certainty that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these unaudited condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited interim condensed consolidated financial statements of the Company have been prepared for the three months ended December 31, 2024, in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board, have been omitted or condensed. These unaudited condensed interim consolidated financial statements do not include all the information required for full disclosure in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended September 30, 2024, as they follow the same accounting policies and methods of application.

2. BASIS OF PREPARATION (Continued)

Approval of the Financial Statements

The unaudited condensed interim consolidated financial statements of the Company for the year ended December 31, 2024 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on March 11, 2025.

Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

Functional and Presentation Currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entity and the subsidiary is in Canadian dollars.

Basis of Consolidation

The unaudited condensed interim consolidated financial statements for the three months ended December 31, 2024 and 2023 comprise of the financial results of the Company and its subsidiaries, which are the entities over which the Company has control. Control exists when the Company has power over an investee, when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are fully consolidated from the date that control of Avventura Resources (BC) Inc. with 100% ownership commences.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The preparation of the unaudited interim condensed consolidated financial statements requires management to undertake several judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from these judgements and estimates. These estimates and judgements are based on management's best knowledge of the events or circumstances and actions the Company may take in the future. The estimates are reviewed on an ongoing basis. Information about the significant judgements, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed in Note 3 of the Company's audited annual financial statements for the year ended September 30, 2024 and are still applicable for the period ended December 31, 2024.

4. REVERSE TAKE-OVER

On October 1, 2024, Avventura Resources (BC) Inc. entered into a Share Exchange Agreement (the "SPA") with Avventura Resources Ltd. (formerly Horwood Exploration Corp.), an unlisted reporting issuer, whereby the Company acquired 100% of the issued and outstanding shares of Avventura Resources (BC) Inc. under a one-for-one share exchange. As a result of the transaction, Avventura Resources (BC) Inc. became a wholly-owned subsidiary of the Company, and its former shareholders received a total of 13,575,001 Avventura Resources Ltd. Common Shares, of which 8,400,000 shares are subject to escrow.

(Expressed in Canadian dollars unless otherwise indicated)

4. REVERSE TAKE-OVER (Continued)

Upon the terms and subject to the conditions set forth in the Share Exchange Agreement, the Company cancelled 6,675,000 warrants, resulting in 12,511,368 common shares and 2,000,000 warrants outstanding. The reporting issuer has completed the name change from Horwood Exploration Corp. to Avventura Resources Ltd., and the reporting issuer's Board of Directors and management were reconstituted.

At the closing of the transaction, in exchange for all shares of Avventura Resources (BC) Inc., the Company issued common shares to the former shareholders, cancelled their individual share certificates in favor of a single certificate evidencing the Company's sole ownership of 12,511,368 shares, and thereby made Avventura Resources (BC) Inc. a wholly-owned subsidiary. The transaction is considered a reverse take-over because the former shareholders of Avventura Resources (BC) Inc. obtained control of the consolidated entity.

The allocation of the components of total consideration to the net assets acquired was as follows:

Consideration	$
Acquisition consideration paid (12,511,368 shares at $0.05 per share)	625,568
Net assets acquired	$
Cash and cash equivalent	13,257
Account receivable	1,276
Exploration assets	24,000
Prepaid expenses	578
Accounts payable	(31,671)
Total net assets acquired	7,440
Reverse take-over expenses	618,128

The Company recorded reverse take over expenses of $618,128 during the three months ended December 31, 2024.

The acquisition of Avventura Resources (BC) Inc. is a related party transaction as there were common significant shareholders between the entities.

5. EXPLORATION AND EVALUATION ASSET

Kabik Lake Project

Pursuant to an option agreement dated March 17, 2022 (the "Agreement"), the Company was granted an option to acquire a 100% undivided interest in the Kabik Lake Project (the "Property") situated in the Patricia Mining Division in the Province of Ontario.

In accordance with the Agreement, the Company has the option to earn the undivided 100% interest in the Property (subject to the Net Smelter Returns ("NSR") described below by issuing a total of 600,000 common shares, making cash payments in aggregate amount of $75,000, and incurring an aggregate of $500,000 worth of exploration expenditures on the property as follows:

(Expressed in Canadian dollars unless otherwise indicated)

5. EXPLORATION AND EVALUATION ASSET (Continued)

Kabik Lake Project (Continued)

	Common Shares	Cash	Exploration Expenditures
	#	**$**	**$**
Upon signing the Option agreement (*paid*)	-	10,000	-
Upon listing of the Company's Common Shares on a Canadian Stock Exchange (the "Listing")	200,000	15,000	-
On or before the first anniversary of the Listing	-	20,000	100,000
On or before the second anniversary of Listing	-	30,000	100,000
On or before the third anniversary of the Listing	-	-	300,000
	200,000	75,000	500,000

The optionors will retain a 1.5% NSR on the Property. The Company has the right to purchase the first 0.5% of the royalty for $500,000. Upon such purchase, the Company will have the right of first refusal on the remaining 1% of the NSR.

Horwood Property, Ontario, Canada

On May 4, 2022, the Company signed an option agreement to acquire 100% interest in a property of 35 mining claims, 90 kilometers southwest of Timmins in the Sudbury District of Ontario at a price of $124,000 and 500,000 common shares of the Company.

	Common Shares	Cash	Exploration Expenditures
	#	**$**	**$**
Upon signing the Option agreement (*paid*)	-	24,000	-
Upon listing of the Company’s Common Shares on a Canadian Stock Exchange (the “Listing”)	500,000	25,000	-
On or before the first anniversary of the Listing	-	30,000	-
On or before the second anniversary of Listing	-	45,000	-
	500,000	124,000	-

(Expressed in Canadian dollars unless otherwise indicated)

5. EXPLORATION AND EVALUATION ASSET (Continued)

	Kabik Lake Project $	**Horwood Property** $	**Total** $
Acquisition costs			
Balance, September 30, 2024	10,000	-	10,000
Exploration and evaluation assets acquired	-	24,000	24,000
Balance, December 31, 2024	**10,000**	**24,000**	**34,000**
Exploration costs			
Balance, September 30, 2023	138,541	-	**138,541**
Geological services	4,963	-	**4,963**
Magnetic Survey	1,563	-	**1,563**
Balance, September 30, 2024	145,067	-	**145,067**
Balance, December 31, 2024	145,067	-	**145,067**

Total mineral property costs

	Kabik Lake Project $	**Horwood Property** $	**Total** $
Balance, September 30, 2024	155,067	-	**155,067**
Balance, December 31, 2024	155,067	24,000	**179,067**

(Expressed in Canadian dollars unless otherwise indicated)

6. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding as at December 31, 2024: 26,086,369 common shares (September 30, 2024– 12,511,368).

During the three months ended December 31, 2023, the Company had the following transactions:

On November 28, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The Company allocated the gross proceeds between common shares and warrants using the relative fair value method. The warrants were valued at $5,510 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 4.12%, share price- $0.05, dividend yield- 0%.

During the three months ended December 31, 2024, the Company had the following transactions:

On October 1, 2024, under the Share Exchange Agreement (Note 4), the Company cancelled 6,675,000 warrants, resulting in 12,511,368 common shares and 2,000,000 warrants outstanding. The Company acquired all outstanding shares of Avventura Resources (BC) Inc. by issuing 13,575,001 Avventura Resources Ltd. common shares (with 8,400,000 shares subject to escrow) to its shareholders.

c) Warrants

There was no issuance of warrants during the three months ended December 31, 2024 and Dec 31, 2023.

As of December 31, 2024, the Company issued 2,000,000 warrants attached to the units issued pursuant to the private placement transactions described in Note 6(b).

		Warrants
Exercise price per warrant	$	0.50
Expected life		3 years
Dividend yield		Nil
Expected volatility		140%
Estimated fair value per warrant	$	0.04

The weighted average exercise price and weighted average life are $0.50 and 2.5 years, respectively.

(Expressed in Canadian dollars unless otherwise indicated)

6. SHARE CAPITAL (Continued)

c) Warrants (Continued)

Information regarding the Company's warrant activity is summarized below:

	Number of warrants	Weighted average exercise price
Balance, September 30, 2024	11,650,000	0.05
Balance, December 31, 2024	11,650,000	0.05

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel costs from related parties:

	Three Month Ended December 31, 2024	**Three Month Ended December 31, 2023**
	$	$
Management fees (company controlled by Former CEO)	16,945	8,000
Legal fees (company controlled by CFO)	103,836	30,838
CFO fees (company controlled by CFO)	21,625	-
	142,406	38,838

During the three months ended December 31, 2024, the Company paid management fees of $4,000 to a company controlled by the CEO of the Company, and paid legal fees of $33,695 to a company controlled by the CFO of the Company.

As at December 31, 2024, included in the accounts payable and accrued liabilities balance is a total of $ 38,838 was owed to related parties.

The reverse take-over acquisition (Note 4) is considered to be a related party transaction as there common significant shareholders between the Avventura Resource (BC) Inc. and Avventura Resources Ltd.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition and exploration of economic mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

8. MANAGEMENT OF CAPITAL (Continued)

The Company's capital structure consists of equity and share subscriptions. As at December 31, 2024, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

IFRS 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Fair value of financial instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's unaudited condensed interim consolidated statements of financial position as at December 31, 2024 and September 30, 2024 were as follows:

		Fair value measurement using		
	Carrying amount	Level 1	Level 2	Level 3
Cash as at December 31, 2024	$ **13,738**	$ 13,738	$ -	$ -
Cash as at September 30, 2024	$ **34,948**	$ 34,948	$ -	$ -

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (Continued)

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. COMMITMENTS

On October 16, 2024 the Company entered into an agreement with Research Capital Corporation. ("Research") whereby Research would act as the lead agent for the Company's proposed initial public offering of common shares to be completed concurrent with the listing of the Company's shares on the Canadian Securities Exchange.

The Company has committed to pay corporate finance fees of $32,000, and has agreed to pay commissions on the offering comprised of 10% in cash and 10% in compensation options, exercisable at the offering price for a period of 24 months after the closing date.

11. SUBSEQUENT EVENT

On February 18, 2025, the Company issued 1,095,630 common shares, to settle $109,563 of legal fees due to a related party.

SCHEDULE "B"

Management's Discussion and Analysis for the financial year ended December 31, 2023 and for the period from incorporation to December 31, 2022, and its Management's Discussion and Analysis for the three month period ended December 31, 2024

See attached.

Horwood Exploration Corp.
Management's Discussion and Analysis
For the year ended December 31, 2023 and the period from incorporation on April 27, 2022 to December 31, 2022

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("**MD&A**"), is prepared as of April 29, 2024, and complements the audited financial statements of Horwood Exploration Corp. ("**Horwood**" or the "**Company**"), for the year ended December 31, 2023 (the "**Financial Statements**").

All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Financial Statements.

The audited financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on April 29, 2024.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

Forward-Looking Statements and Use of Estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Horwood Exploration Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Horwood Exploration Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management and described in Note 3 of the audited financial statements are as follows:

- Going concern
- Exploration and evaluation assets
- Recognition of deferred tax assets and measurement of income tax expense

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

CORPORATE PROFILE

Horwood Exploration Corp., ("Horwood" or "the Company"), was incorporated under the Canada Business Corporations Act on April 27, 2022. The Company's registered address and principal place of business is located at 9285 203B Street, Langley, British Columbia, V1M 2L9.

The Company is a junior exploration company engaged in the exploration and development of the Horwood Property. The Company's future performance depends on, among other things, its ability to discover and develop ore reserves at commercially recoverable quantities, the prevailing market price of commodities it produces, the Company's ability to secure required financing, and in the event ore reserves are found in economically recoverable quantities, the Company's ability to secure operating and environmental permits to commence and maintain mining operations.

During the year ended December 31, 2023, the Company's activities included some exploration costs on the Horwood Property, and activities related to private placement offerings and listing of the Company.

SELECTED FINANCIAL INFORMATION

Statement of financial position	***December 31, 2023*** **$**	***December 31, 2022*** **$**
Assets		
Current assets	15,058	154,407
Exploration and evaluation assets	24,000	24,000
Total assets	39,058	178,407
Liabilities		
Current liabilities	172,310	43,610
Shareholders' equity	(133,252)	134,797
Total liabilities and shareholders' equity	39,058	178,407

Statement of loss and comprehensive loss	**Year ended December 31, 2023** $	**Period from incorporation April 27, 2022 to December 31, 2022** $
Net loss and comprehensive loss for the period	(288,049)	(213,691)
Loss per share – basic and diluted	(0.02)	(0.08)
Weighted average number of common shares outstanding – basic and diluted	15,170,229	2,720,968

RESULTS FROM OPERATIONS

Year ended December 31, 2023

The Company reported a net loss of $288,049 during the year ended December 31, 2023 ($213,691 in 2022). The main factors contributed to the net loss were exploration costs of $5,682 ($138,868 in 2022); professional fees of $176,534 ($43,458 in 2022); filing fees of $21,403 (nil in 2022) and consulting fees of $46,650 ($21,425 in 2022).

Consulting fees relate to administrative and financial services provided to the Company.

Professional fees consist of legal fees in connection with the private placement offerings and initial public offering process; and audit fees in connection with the preparation of the Company's audited financial statements and review of the first and second quarters.

LIQUIDITY AND CAPITAL RESOURCES

The Company reported a negative working capital of $157,252 and cash on hand of $9,439 as at December 31, 2023.

The Company's future capital requirements will depend upon many factors including, without limitation, the results of its exploration programs and commodity prices for precious metals. The Company has limited capital resources and has to rely upon the sale of equity securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all. See "Risk Factors".

SUMMARY OF QUATERLY RESULTS

	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net comprehensive loss	(106,441)	(51,150)	(64,878)	(65,580)	(30,254)	(170,375)	(13,062)	-

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at December 31, 2023 or as at the date of this MD&A.

COMMITMENTS

On May 4, 2022, the Company signed an option agreement to acquire 100% interest in a property of 35 mining claims, 90 kilometers southwest of Timmins in the Sudbury District of Ontario at a price of $124,000 and 500,000 common shares of the Company. An initial payment of $24,000 was made during the period ended December 31, 2022. The remaining balance is due as follows:

- A payment $25,000 in cash and the issuance of 500,000 common shares of the Company on the date of the listing of the Company on the Canadian Securities Exchange (“CSE”);

- A payment of $30,000 in cash on the first anniversary date of the listing of the Company on the CSE;

- A payment of $45,000 in cash on the second anniversary date of the listing of the Company on the CSE.

SHARE CAPITAL

As at December 31, 2023, the Company has 15,750,000 common shares issued and outstanding.

Movement in the Company’s share capital are as follows:	**Number of shares**	**Amount $**
Balance, April 27, 2022	-	-
Shares issued for cash - to founders	2,400,000	12,000
Shares issued for cash - private placements	2,500,000	125,000
Share issuance costs	-	(8,012)
Balance, December 31, 2022	4,900,000	128,988
Shares issued for cash - private placements	10,850,000	239,500
Balance, December 31, 2023	**15,750,000**	**368,488**

On June 17, 2022, the Company issued 2,400,000 common shares to founders of the Company at $0.005 per share, for gross proceeds of $12,000.

On August 19, 2022, the Company closed the first tranche of a private placement of 1,250,000 units which comprise one flow-through share and one-half warrant at a price of $0.02 per unit for gross proceeds of $25,000. Each warrant entitles the holder to purchase one common share for a period of 2 years at an exercise price of $0.05 per share.

On December 2 and December 9, 2022, the Company closed two tranches of a private placement of a total of 1,250,000 non-flow through units which comprise one common share and one-half warrant at a price of $0.08 per unit for gross proceeds of $100,000. Each warrant entitles the holder to purchase one common share for a period of 2 years at an exercise price of $0.10 per share.

On January 20, 2023, the Company closed the final tranche of a private placement of 4,375,000 flow-through units which comprise one flow-through share and ½ warrant at an agreed price of $0.02 per unit for gross proceeds of $87,500. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.05 per share, for a period of 24 months from the date the Units were issued.

On January 20, 2023, the Company closed the final tranche of a private placement of 375,000 non-flow-through units which comprise one common share and ½ warrant at an agreed price of $0.08 per unit for gross proceeds of $30,000. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.10 per share, for a period of 24 months from the date the Units were issued.

On January 20, 2023, the Company also closed a private placement of 6,100,000 non-flow-through units which comprise one common share and ½ warrant at an agreed price of $0.02 per unit for gross proceeds of $122,000. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.05 per share, for a period of 24 months from the date the Units were issued.

RELATED PARTY TRANSACTIONS

	Period ended December 31, 2023 $	Period ended December 31, 2022 $
Consulting fees paid to a key management consultant	**46,650**	21,425
Legal fees paid to a legal firm in which a partner of the legal firm is the spouse of a Director of the Company	**123,823**	23,470
Professional fees for accounting services provided by the CFO	**12,900**	8,000

As at December 31, 2023, amounts due to related parties consist of $82,054 ($3,984 in 2022) to the legal firm and $10,000 ($8,000 in 2022) to the CFO, both amounts included as part of accounts payable and other liabilities.

SUBSEQUENT EVENTS

On April 08, 2024, the Company closed a private placement of 1,000,000 units which comprise one common share and one whole warrant at an agreed price of $0.05 per unit for gross proceeds of $50,000. Each whole warrant will entitle the holder to acquire one additional common share in the capital of the Company at a price of $0.10 per share, for a period of 24 months from the date the Units were issued.

RISK AND UNCERTAINTIES

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company's eventual profitability and level of operating cash flow.

The following Management's Discussion and Analysis ("MD&A") is current as of March 11 2025. This MD&A contains a review and analysis of financial results for Avventura Resources Ltd. (formerly Horwood Exploration Corp.; "Avventura" or "the Company") for the three months ended December 31, 2024.

This MD&A supplements but does not form part of the condensed interim consolidated financial statements of the Company and notes thereto for the three months ended December 31, 2024, and consequently should be read in conjunction with the afore-mentioned condensed interim consolidated financial statements and notes thereto.

All amounts both in the Company's condensed interim consolidated financial statements and this MD&A are expressed in Canadian dollars. The reader is encouraged to review the Company's statutory filings on www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

DESCRIPTION OF BUSINESS

Avventura is a Canadian mining issuer existing under the Canada Business Corporations Act. The Company is principally engaged in the acquisition and exploration of mineral properties.

RECENT DEVELOPMENTS

On November 29, 2024 the Company completed, the acquisition of all the issued and outstanding shares of Avventura Resources (BC) Inc. ("Avventura BC"), in consideration for, the issuance of 13,575,001 common shares of Horwood Exploration Corp. to the shareholders of Avventura BC (the "Acquisition").

In conjunction with the completion of the Acquisition, the following individuals resigned from their positions with the Company: (i) Eric Allard as Chief Executive Officer; (ii) Véronique Laberge as Chief Financial Officer and a director; and (iii) Nicholas Coltura as a director.

The outgoing directors and management were succeeded by the following individuals:

- Anthony Balic, President and Chief Executive Officer
- Mark Lotz, Director, Chief Financial Officer and Corporate Secretary
- John Pallot, Director and Chairman
- John Hiner, Director
- Eric Allard, Director

As a result of the completion of the Acquisition, the former holders of Avventura BC common shares held approximately 52% of the issued and outstanding common shares of the Company and former holders of Horwood Exploration Corp. shares held approximately 48% of the common shares of the Company.

The Company cancelled 6,675,000 Warrants, such that it had 12,511,368 common shares and 2,000,000 warrants outstanding immediately prior to the closing of the Acquisition.

In management's judgement the appropriate value assigned to the shares issued in the transaction was $0.05 as this price matched the recent share subscriptions that included unrelated third parties

Avventura warrants outstanding immediately prior to closing of the Acquisition shall entitle the holder thereof to receive, upon exercise on or after the closing date, one half (1/2) of one (1) common share of the Company at an exercise price of $0.10 per share

The transaction was considered a reverse takeover ("RTO") as the legal acquiree's (Avventura Resources (BC) Inc.) former shareholders are expected to control the consolidated entity after completion of the RTO. Consequently, the financial statements of the Company and this Management's discussion and analysis reflect the position and results of operations of the continuing business, that of the former Avventura Resources (BC) Inc.

In conjunction with the completion of the Acquisition, the Company changed its name to Avventura Resources Ltd.

MINERAL PROPERTIES

The Company's mineral exploration portfolio comprises the following:

	Location	Mining claims	Approximate area in hectares
Kabik Lake Project	Ontario	9 unpatented (114 cells)	2,290
Horwood Property	Ontario	296	6,836

Kabik Lake Project

On March 17, 2022 the Avventura BC entered into a mineral property option agreement to acquire a 100% undivided interest in the Kabik Lake Project (the "Property") situated in the Patricia Mining Division in the Province of Ontario.

Under the agreement, the Company has the option to earn the undivided 100% interest in the Property (subject to the Net Smelter Returns ("NSR") described below) by issuing a total of 200,000 common shares, making cash payments in aggregate amount of $155,000, and incurring an aggregate of $500,000 worth of exploration expenditures on the property as follows:

	Common Shares	Cash	Exploration Expenditures
	#	**$**	**$**
Upon signing the Option agreement (*paid*)	-	10,000	-
Upon listing of the Company's Common Shares on a Canadian Stock Exchange (the "Listing")	200,000	15,000	-
On or before the first anniversary of the Listing	-	20,000	100,000
On or before the second anniversary of Listing	-	30,000	100,000
On or before the third anniversary of the Listing	-	-	300,000
	200,000	75,000	500,000

The optionors will retain a 1.5% NSR on the Property. The Company has the right to purchase the first 0.5% of the royalty for $500,000. Upon such purchase, the Company will have the right of first refusal on the remaining 1% of the NSR.

Horwood Property, Ontario, Canada

On May 4, 2022, the Company signed an option agreement to acquire 100% interest in a property of 35 mining claims, 90 kilometers southwest of Timmins in the Sudbury District of Ontario at a price of $124,000 and 500,000 common shares of the Company.

	Common Shares	Cash	Exploration Expenditures
	#	**$**	**$**
Upon signing the Option agreement (*paid*)	-	24,000	-
Upon listing of the Company's Common Shares on a Canadian Stock Exchange (the "Listing")	500,000	25,000	-
On or before the first anniversary of the Listing	-	30,000	
On or before the second anniversary of Listing	-	45,000	
	500,000	124,000	-

Property Geology

The Horwood Property lies in the east-centre of the Swayze Greenstone Belt, a mafic-dominated swath of volcanics bounded by TTG-type granitoidal masses. It is mostly underlain by a thick package of mafic flows, autobreccias, pillows and minor variolitic flows, striking broadly northeasterly with dips varying from subvertical to about 40° westerly, around Hardiman Bay Minor ultramafic and intermediate to felsic volcanic phases as well as interflow type sediments are present. Mafic tuff units noted in several drill programs in the area may represent shear deformation. Gabbroic sills and stocks post-date this volcanosedimentary cycle and are intruded into the package, particularly southwest of Horwood Lake and around Stangiff Lake, and with some amount of structural control exhibited by a north-northeast fabric. An elongated biotite granodiorite stock, the Horwood Peninsula Pluton, crosses the northern part of the Property with a northeasterly trend. In places it is internally sheared and carries the north-northeasterly foliation (Wood 2005). Its northern limb is in contact with one of the aforementioned gabbroic stocks. Darke (1995) mentions quartz diorite and dioritic quartz-porphyry units in this area which may represent phases of the HPP or separate sills. Conversely, Dadson (1980) lists "Quartz Diorite (metagabbro)" as a major lithology in the Orofino area hinting that the affinity of different intrusive units requires further study.

EXPLORATION PROGRAM

As of the Effective Date of the Technical Report, the Company has not completed any drilling on the Horwood Property.

Sampling Preparation, Analysis and Security

Eight grab samples were taken during the visit. Brian Newton, P. Geo, and Sahil Alurkar, GIT, both of Minroc, performed the sampling. The Minroc samples were taken in the field using hand tools and sealed inside plastic bags alongside a unique identifying tag and recorded in field notes alongside UTM coordinates taken with a handheld GPS, according to standard best field practices. The samples were stored securely before being delivered by Minroc personnel to ALS Laboratories (ALS) in Sudbury, Ontario for sample preparation. Sample analysis was then completed by ALS Minerals in their North Vancouver geochemical laboratory in British Columbia.

At ALS, the samples were crushed to 70% passing a 2 mm mesh and riffle-split, after which one split is pulverized to 85% passing a 75 µm mesh. The unpulverized split (the reject) were retained while the pulverized split (the pulp) were assayed by "ME-MS61" four-acid digestion with ICP-MS analysis for a suite of 51 elements as well as "PGM-MS23L" gold and platinum group element fire assay on a 30 g sub-sample.

ALS ran a QA/QC regime internally alongside the sample assays, including six Standards (TAZ-20, GPP-03, OREAS 920, EMOG-17, SP 116 and OREAS 681) and four Blanks. All results were reviewed against the published values by Minroc and are considered satisfactory and sufficient for the purposes of this Technical Report. ALS facilities conform to the requirements of the ISO/IEC 17025 Standard (General requirements for the competence of testing and calibration laboratories), and regularly take part in proficiency testing. Further, ALS facilities conform to CAN-P-1579 (Mineral Analysis/Geological Tests) as set out by the Standards Council of Canada. ALS is independent of Horwood Exploration Corp, Minroc and all other interested parties.

	Kabik Lake Project	Horwood Property	Total
	$	$	$
Acquisition costs			
Balance, September 30, 2023	10,000	-	10,000
Exploration and evaluation assets acquired	-	24,000	24,000
Balance, March 31, 2024	10,000	24,000	34,000
Balance, September 30, 2024 and December 31, 2024	**10,000**	**24,000**	**34,000**

Exploration costs			
Balance, September 30, 2023	138,541	-	**2,566**
Magnetic Survey	1,563	-	**56,677**
Geological services	4,963	-	**25,173**
Balance, September 30, 2024	145,067	-	**145,067**
Balance, December 31, 2024	145,067	-	**145,067**

Total mineral property costs

	Kabik Lake Project	Horwood Property	Total
	$	$	$
Balance, September 30, 2024	155,067	-	**155,067**
Balance, December 31, 2024	155,067	24,000	**179,067**

ASSETS

Cash

Cash on hand at December 31, 2024 was $13,738 (2023 - $19,352) The Company's cash position was the result of ongoing operating expenses for corporate administration and exploration expenses which were offset by share issuances.

Exploration and evaluation asset

Exploration and evaluation assets increased to $179,067 as at December 31, 2024 (2023 - $150,104) which was detailed by project above. The increase is the result of assets acquired in the reverse take over $24,000 and $4,963 in capitalized expenditures.

SUMMARY OF QUARTERLY RESULTS

Below is a summary of the Company's recent quarterly results, prepared under International Financial Reporting Standards:

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Net loss	(810,324)	(95,613)	(47,806)	(15,025)
Basic and diluted loss per share	(0.03)	(0.01)	(0.01)	(0.01)

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net loss	(44,796)	(50,251)	(31,420)	(18,394)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01	(0.01)

Financial Performance

<u>For the three months period ended December 31, 2024</u>

Net loss for the three-month period ended December 31, 2024 was $810,324 (2023 – $21,535). Reverse take-over expense of $618,128. Professional fees of $171,454 (2023 - $Nil) related to accounting fees, audit fees and legal fees related to its reverse take over and continuous disclosure requirements. Management fees decreased to $11,500 (2023 – $15,625), due to a result of fee reductions considering working capital deficiencies.

Cash Flows

Net cash used in operating activities during the three months ended December 31, 2024 was $41,210 (2023 - $45,435). The decrease in cash utilized during the period was attributable due to cash constraints.

There was no material cash investments during the period. The Company completed a noncash reverse take over, described above.

Net cash raised from financing activities was limited to the subscription receivable of $20,000 (2023 – $20,180)

Liquidity and Capital Resources

Total shareholders' deficit as of December 31, 2024 was $125,067 as follows:

Balance as of December 31, 2023	$	115,606
Subscription receipts		19,838
Shares issued for reverse take over		625,538
Comprehensive loss for the period		(886,049)
Balance as of December 31, 2024	$	(125,067)

The Company ended the period with cash of $13,738, a decrease of $21,110 from the prior year end.

There was a working capital deficit of $304,134 as at December 31, 2024 (2023 – deficit of $115,216) which the Company intends to remedy through a subsequent financing.

The Company does not generate cash flows from operations and will need to raise additional funds through the issuance of shares. Although, the Company has been successful in raising funds in the past there can be no assurance that it will be able to raise sufficient funds in the future, in which case it may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of its assets may be materially less than amounts on the statement of financial position.

Information on Outstanding Securities

Common shares outstanding	26,086,369
Stock options exercisable	-
Average exercise price of	-
Warrants outstanding	11,650,000
Average exercise price	$ 0.05

All existing warrants expire on the third anniversary of the listing of the Company's shares on a Canadian exchange.

During the three months ended December 31, 2024, the Company issued the following shares:

On November 29, 2024, the Company and the Avventura BC completed the share exchange. The Avventura BC's former shareholders received 13,575,001 of the Company's common shares and Avventura BC became a wholly owned subsidiary of the Company. On January 20, 2025, the Company and the Issuer agreed to settle $109,563 of payables for legal services provided to the Company through the issuance of 1,096,630 common shares.

As at December 31, 2023, there were 10,875,001 common shares issued and outstanding.

During the three months ended December 31, 2023, the Company issued 250,000 units comprising one common share and a common share purchase warrant.

Stock Options

The Company does not have any outstanding stock options.

Commitments and Contingencies

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in the Business Overview.

Related Party Transactions

Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Legal fees are incurred with a firm controlled by a family member of the CFO.

The Company incurred the following key management personnel cost from related parties:

	December 31, 2024 $	December 31, 2023 $
CFO fees (company controlled by the CFO)	21,625	-
Legal fees	103,836	30,838
Management fees	16,945	8,000

As at December 31, 2023, the Company owed $173,536 (2023 - $20,779) to Directors of the Company, management, and companies controlled by related parties which have been recorded in accounts payable.

Disclosures

This MD&A supports information disclosed in the Company's condensed interim financial statements. More information regarding the Company's mineral rights and interests can be found under Note 5 of the Company's condensed interim consolidated financial statements for the current reporting period.

Commitments

The Company is required to make the following payments under the terms of its mineral property agreements.

	Cash	Shares by quantity	Exploration Expenditures
Upon Listing	$35,000	700,000	
First anniversary of the Listing	50,000		100,000
Second anniversary of the Listing	75,000		100,000
Third anniversary of the Listing			300,000
Totals	$160,000	700,000	500,000

Critical Accounting Estimates

The preparation of condensed interim consolidated financial statements in conformity with IFRS accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities as at the date of the condensed interim financial statements, and expenses for the periods reported.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a. The recoverability of receivables, prepayments and deposits that are included in the consolidated statements of financial position.
b. The fair value of stock options, warrants and compensation options which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
c. The fair value of restricted share units which requires the estimation of the number of awards likely to vest on grant and at each reporting date up to the vesting date.
d. The fair value of the investment for which a quoted market price in an active market is not available.
e. The recoverability of deferred tax assets based on the assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.
f. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment
g. based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. (g) The classification and allocation of expenses as exploration and evaluation expenditures or operating expenses.

Accounting Policies

The accounting policies followed by the Company are set out in Note 2 to the accompanying consolidated condensed interim consolidated financial statements for the three months ended December 31, 2024.

Risk Factors

Readers are cautioned that the risk factors discussed above in this MD&A are not exhaustive. Readers should also carefully consider the matters discussed under the heading, "Forward Looking Statements", in this MD&A.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period from September 30, 2024 to December 31, 2024 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

SCHEDULE "C"

Avventura BC's Audited Financial Statements for the financial years ended September 30, 2024 and September 30, 2023.

See attached.

AVVENTURA RESOURCES (BC) INC.
(Formerly Avventura Resources Inc.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Avventura Resources (BC) Inc.

Opinion

We have audited the financial statements of Avventura Resources (BC) Inc. (the Company) which comprise:

- the statements of financial position as at September 30, 2024 and September 30, 2023;
- the statements of loss and comprehensive loss for the years then ended;
- the statements of changes in equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 03 2025

AVVENTURA RESOURCES (BC) INC.
(FORMERLY AVVENTURA RESOURCES INC.)
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024 and 2023
(Expressed in Canadian dollars unless otherwise indicated)

		2024	2023
ASSETS			
CURRENT			
Cash	$	34,948	$ 54,618
Goods and services tax recoverable		24,866	18,308
		59,814	72,926
EXPLORATION AND EVALUATION ASSETS (*Note 4*)		155,067	148,541
	$	**214,881**	**$ 221,467**
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities (*Note 6*)	$	175,030	$ 88,351
		175,030	88,351
EQUITY			
Share capital (*Note 5*)		214,785	132,181
Obligation to issue shares		-	20,948
Shares subscriptions receivable		(39,838)	-
Reserves (*Note 5*)		144,841	79,945
Deficit		(279,937)	(99,958)
		39,851	133,116
	$	**214,881**	**$ 221,467**

NATURE OF BUSINESS AND CONTINUING OPERATIONS (*Note 1*)
SUBSEQUENT EVENTS (*Note 10)*

Approved on behalf of the Board:

"John Pallot"
Director

"Mark Lotz"
Director

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

AVVENTURA RESOURCES (BC) INC.
(FORMERLY AVVENTURA RESOURCES INC.)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in Canadian dollars unless otherwise indicated)

		2024		**2023**
EXPENSES				
Management fees (*Note 6)*	$	77,429	$	46,563
Office expense		40,239		8,897
Interest and bank charges		471		480
Professional fees (*Note 6*)		61,840		43,762
NET LOSS AND COMPREHENSIVE LOSS	**$**	**(179,979)**	**$**	**(99,702)**
LOSS PER SHARE – BASIC AND DILUTED	**$**	**(0.02)**	**$**	**(0.03)**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		**11,187,843**		**3,081,508**

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

AVVENTURA RESOURCES (BC) INC.
(FORMERLY AVVENTURA RESOURCES INC.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in Canadian dollars unless otherwise indicated)

	2024	**2023**
OPERATING ACTIVITIES		
Net loss for the year	$ (179,979)	$ (99,702)
Changes in non-cash working capital balances:		
Goods and services tax recoverable	(6,558)	(18,300)
Accounts payable	86,679	86,703
Cash used in operating activities	(99,858)	(31,299)
INVESTING ACTIVITY		
Exploration and evaluation assets	(6,526)	(138,541)
FINANCING ACTIVITY		
Shares issued for cash	126,552	212,125
Shares subscriptions receivable net	(39,838)	1,323
Cash flow from financing activities	86,714	213,448
CHANGE IN CASH	(19,670)	43,608
CASH, BEGINNING OF YEAR	54,618	11,010
CASH, END OF YEAR	$ 34,948	$ 54,618

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

AVVENTURA RESOURCES (BC) INC.
STATEMENTS OF CHANGES IN EQUITY
(FORMERLY AVVENTURA RESOURCES INC.)
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in Canadian dollars unless otherwise indicated)

	Common shares							
	Number of shares		**Amount**		**Warrants reserve**	**Deficit**		**Total equity**
As at September 30, 2022	1	$	19,626	$	-	(256)	$	19,370
Shares issued for cash	10,625,000		132,180		79,945	-		212,125
Obligation to issue shares	-		1,323		-	-		1,323
Net loss for the year	-		-		-	(99,702)		(99,702)
As at September 30, 2023	10,625,001	$	153,129	$	79,945	(99,958)	$	133,116
Shares issued for cash	2,950,000		61,656		64,896	-		126,552
Subscriptions receivable	-		(39,838)		-	-		(39,838)
Net loss for the year	-		-		-	(179,979)		(179,979)
As at September 30, 2024	13,575,001	$	174,947	$	144,841	(279,937)	$	39,851

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Avventura Resources (BC) Inc.(formerly Avventura Resources Inc.) (the "Company") was incorporated on March 9, 2022 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 1170 – 1040 West Georgia Street, Vancouver, British Columbia, Canada. On October 10, 2024, the Company changed its name from Avventura Resources Inc. to Avventura Resources (BC) Inc.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at September 30, 2024, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $279,937 as at September 30, 2024, which has been funded by the issuance of equity. At September 30, 2024, the Company had a working capital deficiency of $115,216 (2023 - $15,425). The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There is no certainty that the Company will ultimately achieve profitable operations, become cash flow positive, or raise additional debt and/or equity capital. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements, including comparatives, are prepared using IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Approval of the Financial Statements

The financial statements of the Company for the year ended September 30, 2024 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 3, 2025.

Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

a) Cash comprises amounts on deposits at Canadian chartered banks.

b) Critical Accounting Estimates and Judgements

The preparation of these 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. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the measurement of deferred income tax assets and liabilities;

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities;
ii. the evaluation of the Company's ability to continue as a going concern; and
iii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

d) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

e) Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded in reserves over the vesting periods are recorded as share capital. Contributed surplus includes amounts in connection with stock-based compensation and the value of expired options and warrants. Income tax relating to transaction costs of an equity transaction are recognized directly in equity. The Company allocates the gross proceeds from share issuances between common shares and warrants using a relative fair value approach.

f) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

g) Share-based payments

The fair value of equity settled stock options awarded to employees defined under IFRS 2 *Share-based payments* (i.e. employees for legal and tax purpose, directors and certain consultants), determined as of the date of grant, and awarded to non-employees defined under IFRS 2, as of the date of delivery of service, is recognized as share-based payments, included in general and administrative expenses in the statements of loss and comprehensive loss, over the vesting period of the stock options based on the estimated number of options expected to vest, with a corresponding increase to equity.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Financial Instruments

On initial recognition financial assets are classified as measured at:

i. Amortized cost;

ii. Fair value through other comprehensive income ("FVOCI"); and

iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest method.

The Company does not have any assets classified at FVOCI.

iii. FVTPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

The Company's cash is classified at FVTPL.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Financial Instruments (continued)

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. 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 group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

i) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Exploration and evaluation assets (continued)

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

j) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

k) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

l) Adoption of new accounting standards, interpretations and amendments

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB that are mandatory for accounting periods beginning on or after October 1, 2024. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after October 1, 2024 will have a significant impact on the Company's results of operations or financial position.

- *Disclosure of Accounting Policies*

In February 2021, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

- *Definition of Accounting Estimates (Amendment to IAS 8)*

In February 2021, the IASB issued amendments to IAS 8, which added the definition of accounting estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

There was no material impact upon adoption of the above accounting standards.

- *Classification of Liabilities as Current or Non-Current (IAS 1)*

The IASB issued amendments to IAS 1 in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least 12 months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least 12 months after the reporting period. Subsequent to the release of amendments to IAS 1, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period.

- *Presentation and Disclosure in the Financial Statements IFRS 18*

In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS. The standards will become effective January 1, 2027, with early adoption permitted.

The Company is in the process of assessing the impact of the above two new standards on the Company's financial statements.

(Expressed in Canadian dollars unless otherwise indicated)

4. EXPLORATION AND EVALUATION ASSETS

	Acquisition Costs	Exploration Costs	Total
Balance at September 30, 2022	$ 10,000	$ -	$ 10,000
Additions:			
Magnetic Survey	-	56,677	56,677
Assaying	-	8,834	8,834
Transportation	-	35,500	35,500
Geological reports	-	17,320	17,320
Geological services	-	20,210	20,210
Balance at September 30, 2023	10,000	138,541	148,541
Assaying	-	1,563	1,563
Geological consulting	-	-	-
Transportation	-	-	-
Geological reports	-	-	-
Geological services	-	4,963	4,963
Balance at September 30, 2024	$ 10,000	$ 145,067	$ 155,067

Kabik Lake Project

Pursuant to an option agreement dated March 17, 2022 (the "Agreement"), the Company was granted an option to acquire a 100% undivided interest in the Kabik Lake Project (the "Property") situated in the Patricia Mining Division in the Province of Ontario.

In accordance with the Agreement, the Company has the option to earn the undivided 100% interest in the Property (subject to the Net Smelter Returns("NSR") described below by issuing a total of 200,000 common shares, making cash payments in aggregate amount of $75,000, and incurring an aggregate of $500,000 worth of exploration expenditures on the property as follows:

	Common Shares	Cash	Exploration Expenditures
	#	**$**	**$**
Upon signing the Option agreement (*paid*)	-	10,000	-
Upon listing of the Company's Common Shares on a Canadian Stock Exchange (the "Listing")	200,000	15,000	-
On or before the first anniversary of the Listing	-	20,000	100,000
On or before the second anniversary of Listing	-	30,000	100,000
On or before the third anniversary of the Listing	-	-	300,000
	200,000	75,000	500,000

The optionors will retain a 1.5% NSR on the Property. The Company has the right to purchase the first .5% of the royalty for $500,000. Upon such purchase, the Company will have the right of first refusal on the remaining 1% of the NSR.

5. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Issued and outstanding as at September 30, 2024: 13,575,001 common shares (2023 – 10,625,001).

During the year ended September 30, 2024, the Company had the following transactions:

On November 28, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $9,852 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 4.12%, share price- $0.05, dividend yield- 0%. The Company allocated the gross proceeds from share issuances between common shares at $6,990 and warrants at $5,510 using the relative fair value method.

On August 8, 2024, the Company completed a non-brokered private placement of 1,900,000 units at a price of $0.05 per unit for aggregate gross proceeds of $95,000. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $74,612 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 3.25%, share price- $0.05, dividend yield- 0%. The Company allocated the gross proceeds between common shares at $ 53,210 and warrants at $41,790 using the relative fair value method.

On August 29, 2024, the Company completed a non-brokered private placement of 800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $40,000. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $31,412 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 3.25%, share price- $0.05, dividend yield- 0%. The Company allocated the gross proceeds between common shares at $ 22,405 and warrants at $17,595 using the relative fair value method.

During the year ended September 30, 2023, the Company had the following transactions:

On December 5, 2022, the Company completed a non-brokered private placement of 125,000 Avventura BC Shares at $0.005 per common share for gross proceeds of $625.

On March 9, 2023, the Company completed a non-brokered private placement of 1,800,000 common shares of the Company at $0.005 per common share for gross proceeds of $9,000.

(Expressed in Canadian dollars unless otherwise indicated)

On April 21, 2023, the Company completed a non-brokered private placement of 1,250,000 units at a price of $0.02 per unit for aggregate gross proceeds of $25,000. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $16,828 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 3.6%, share price- $0.02, dividend yield- 0%. The Company allocated the gross proceeds between common shares $14,942 and warrants $10,058 using the relative fair value method.

On July 19, 2023, the Company completed a non-brokered private placement of 6,500,000 units at a price of $0.02 per unit for aggregate gross proceeds of $130,000. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $87,857 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 4.27%, share price- $0.02, dividend yield- 0%. The Company allocated the gross proceeds between common shares at $ 77,574 and warrants at $52,426 using the relative fair value method.

On August 21, 2023, the Company completed a non-brokered private placement of 700,000 units at a price of $0.05 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $27,633 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 4.54%, share price- $0.05, dividend yield- 0%. The Company allocated the gross proceeds between common shares at $19,558 and warrants $15,442 using the relative fair method.

On September 19, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company. Each warrant was exercisable for one common share of the Company at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada. The warrants were valued at $3,387 using the Black-Scholes option pricing model with the following assumptions: expected life in years- 3, volatility- 140 %, risk free rate- 4.65%, share price- $0.02, dividend yield- 0%. The Company allocated the gross proceeds between common shares at $ 2,981 and warrants at $2,019 using the relative fair value method.

c) **Warrants**

During the year ended September 30, 2024, the Company issued 2,950,000 warrants attached to the units issued pursuant to the private placement transactions described in Note 5(b).

	Warrants
Exercise price per warrant	$0.05
Expected life	3 years
Dividend yield	Nil

Expected volatility	140%
Average risk free rate	4.25%
Estimated fair value per warrant	$0.08

During the year ended September 30, 2023, the Company issued 8,700,000 warrants attached to the units issued pursuant to the private placement transactions described in Note 5(b).

	Warrants
Exercise price per warrant	$0.50
Expected life	3 years
Dividend yield	Nil
Expected volatility	140%
Average risk free rate	3.32%
Estimated fair value per warrant	$0.08

Information regarding the Company's warrant activity is summarized below:

	Number of warrants	Weighted average exercise price
Balance, September 30, 2022	-	-
Issued	8,700,000	0.05
Balance, September 30, 2023	8,700,000	0.05
Issued	2,950,000	0.05
Balance, September 30, 2024	11,650,000	0.05

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel costs from related parties:

	2024 $	**2023** $
Management fees (company controlled by Former CEO)	32,603	36,000
Rent (company controlled by Former CEO)	6,863	6,000
Legal fees (company controlled by CFO)	61,840	43,762
CFO fees (company controlled by CFO)	44,826	10,563
	146,132	**96,325**

As at September 30, 2024, included in the accounts payable balance is a total of $ 25,610 (2023 - $ 10,318) and accrued liabilities of $120,773 (2023 - $41,471) was owed to related parties.

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification, evaluation and acquisition and exploration of economic mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company's capital structure consists of equity and share subscriptions. As at September 30, 2024, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Fair value of financial instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at September 30, 2024 and 2023 were as follows:

		Fair value measurement using		
	Carrying amount	Level 1	Level 2	Level 3
2024 Cash	$ **34,948**	$ 34,948	$ -	$ -
2023 Cash	$ **54,618**	$ 54,618	$ -	$ -

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

(Expressed in Canadian dollars unless otherwise indicated)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (*continued*)

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

		2024	**2023**
Canadian statutory income tax rate		27%	27%
Income tax recovery at statutory rate	$	(49,000)	(27,000)
Permanent differences		7,000	-
Change in deferred tax assets not recognized		42,000	27,000
Deferred income tax recovery	$	-	-

Significant components of the Company's deferred income tax assets are shown below:

		2024	**2023**
Non-capital loss carry forwards	$	69,000	27,000
Deferred tax assets not recognized		(69,000)	(27,000)
	$	-	-

As at September 30, 2024, the Company had approximately $257,000 in non-capital loss carry forward available to reduce taxable income for future years. The non-capital losses expire commencing 2042.

10. SUBSEQUENT EVENTS

On October 1, 2024 the Company signed a share exchange agreement (the, "SEA") with Horwood Exploration Corp. (now called Avventura Resources Ltd., the "Issuer"), an unlisted reporting issuer. The transaction was considered a reverse takeover ("RTO") as the legal subsidiary's (the Company / Avventura Resources (BC) Inc.) former shareholders were expected to control the consolidated entity after completion of the RTO. The SEA contemplated a share exchange at a ratio of one common share of the Issuer for every share of the Company, pursuant to which the Issuer would acquire all of the issued and outstanding shares of the Company on terms more particularly set forth in the SEA.

In connection with the RTO, the Company changed its name to Avventura Resources (BC) Inc. on October 10, 2024.

On November 29, 2024, the Company and the Issuer completed the share exchange. The Company's former shareholders received 13,575,001 of the Issuer's common shares and the Company became a wholly owned subsidiary of the Issuer.

On January 20, 2025, the Company and the Issuer agreed to settle $109,563 of payables for legal services provided to the Company through the issuance of 1,096,630 common shares.

SCHEDULE "D"

<u>Avventura BC's Management's Discussion and Analysis for the financial years ended September 30, 2024 and September 30, 2023</u>

See attached.

The following Management's Discussion and Analysis ("MD&A") is current as of March 16, 2025. This MD&A contains a review and analysis of financial results for Avventura Resources (BC) Inc. (formerly Avventura Resources Inc.; "the Company" or "Avventura BC") for the three and twelve months ended September 30, 2024.

This MD&A supplements but does not form part of the audited financial statements of the Company and notes thereto for the three and twelve months ended September 30, 2024, and consequently should be read in conjunction with these documents.

All amounts both in the Company's financial statements and this MD&A are expressed in Canadian dollars. The reader is encouraged to review the Company's statutory filings on www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities as at the date of the financial statements, and expenses for the periods reported.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a. The recoverability of receivables, prepayments and deposits that are included in the consolidated statements of financial position.
b. The fair value of stock options, warrants and compensation options which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
c. The fair value of restricted share units which requires the estimation of the number of awards likely to vest on grant and at each reporting date up to the vesting date.
d. The fair value of the investment for which a quoted market price in an active market is not available.
e. The recoverability of deferred tax assets based on the assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.
f. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.
g. The classification and allocation of expenses as exploration and evaluation expenditures or operating expenses.

DESCRIPTION OF BUSINESS

Avventura BC is a Canadian mining company existing under the Business Corporations Act (British Columbia). The Company is principally engaged in the acquisition and exploration of mineral properties.

RECENT DEVELOPMENTS

On August 29, 2024, the Company completed a non-brokered private placement of 800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $40,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 8, 2024, the Company completed a non-brokered private placement of 1,900,000 units at a price of $0.05 per unit for aggregate gross proceeds of $95,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On November 28, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On September 19, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 21, 2023, the Company completed a non-brokered private placement of 700,000 units at a price of $0.05 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On July 19, 2023, the Company completed a non-brokered private placement of 6,500,000 units at a price of $0.02 per unit for aggregate gross proceeds of $130,000. Each unit was comprised of one flow-through common share and one common share purchase warrant. Each warrant was exercisable for one non-flow-through common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On April 21, 2023, the Company completed a non-brokered private placement of 1,250,000 units at a price of $0.02 per unit for aggregate gross proceeds of $25,000. Each unit was comprised of one flow-through common share and one common share purchase warrant. Each warrant was exercisable for one non-flow-through common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On March 9, 2023, the Company completed a non-brokered private placement of 1,800,000 common shares at $0.005 per Common Share for gross proceeds of $9,000.

On February 28, 2023, Mr. John Pallot was appointed as a director of the Company, Mr. Anthony Balic was appointed as the Chief Executive Officer and Mr. Mark Lotz was appointed as the Chief Financial Officer and Corporate Secretary. Concurrently Mr. Lotz resigned from his position as Chief Executive Officer and President.

On December 19, 2022, Mr. Quinn Martin resigned from his position as Chief Financial Officer and Corporate Secretary of the Company.

On December 5, 2022, the Company completed a non-brokered private placement of 125,000 common shares at $0.005 per common share for gross proceeds of $625. On the same date, Mr. Yevgeniy Meshcherekov resigned from his directorship of the Company.

MINERAL PROPERTY

The Company's sole asset is the option to acquire the 58 mining claims comprising the Kabik Lake property (the "Property"), located in the Patricia Mining Division of Ontario. The following serves as a background on the Property:

On March 17, 2022, the Company entered into a mineral property option agreement with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (the "Optionors"). Pursuant to the agreement, the Company has the right to acquire a 100% interest in the Property.

The Optionors retained a 1.5% net smelter returns royalty ("NSR"), subject to the Company's right to purchase a one-third interest in the NSR, for net payment of $500,000.

The terms of the agreement required the Company to make cash payments totaling $75,000 and issue 200,000 common shares as follows:

i. $10,000 on signing of the Agreement - paid;
ii. An additional $15,000 upon listing on a Canadian stock exchange;
iii. $20,000 on or before the first anniversary of the listing date;
iv. $30,000 on or before the second anniversary of the listing date; and
v. Allotting and issuing to the Optionors an aggregate of 200,000 common shares upon the Listing Date.

ASSETS

Cash and cash equivalents

Cash on hand at September 30, 2024 was $34,948 (2023 - $54,618). The decrease of the Company's cash position was the result of increased general and administrative expenses and less private placements during the period.

Exploration and evaluation asset

Exploration and evaluation assets increased to $155,067 as at September 30, 2024 (2023 - $148,541) which was detailed by project above.

SUMMARY OF QUARTERLY RESULTS

Below is a summary of the Company's recent quarterly results, prepared under International Financial Reporting Standards:

	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Net loss	(95,613)	(47,806)	(15,025)	(44,796)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Net loss	(49,778)	(31,420)	(18,394)	(17,902)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

Financial Performance

For the three months period ended September 30, 2024

Net loss for the three-month period ended September 30, 2024 was $95,613 (2023 - $49,778). Professional fees of $46,242 (2023 - $30,761) related to additional audit fees and legal fees as the Company's met its continuous disclosure requirements. Management fees increased to $53,169 (2023 - $15,062) as a result of increases in management services activity during the period due to a activity related to the reverse take over and the prospectus.

For the twelve months ended September 30, 2024

Net loss for the twelve months ended September 30, 2024 was $179,979 (2023 - $99,702), representing a increase of $80,277 from the prior period. Management fees increased to $77,429 (2023 - $46,563), office expenses were $40,239 (2023 - $8,897) Office expense relates primarily to premised rent, IT and telecommunications expenses, professional fees of $61,840 (2023 - $43,762) an increase of $18,078 as the Company prepared for the revere take over as well as completion of continuous disclosure records in advance of a prospectus filing, with a goal of a listing on an exchange.

Cash Flows

Net cash used by operating activities in the twelve months ended September 30, 2024 was $99,858 (2023 - $31,299). Decrease in cash utilized during the period due to limited cash available for use.

Net cash used in investing activities in the twelve months ended September 30, 2024 was $6,526 (2023 - $138,541). The decrease is due to an increase in property acquisitions and development activity during the period compared to the prior period.

Net cash raised from financing activities was $86,714 (2023 - $213,448) due to a greater issuances of shares during the period prior period and the increase in subscriptions receivable to $39,838.

Liquidity and Capital Resources

Total shareholders' equity as of September 30, 2024 was $39,851 as follows:

Balance as of September 30, 2023	$	133,116
Shares issued for cash		126,552
Subscriptions receivable		(39,838)
Net loss for the period		(179,979)
Balance as of September 30, 2024	$	39,851

The Company ended the period with cash of $34,948, a decrease of $19,670.

There was a working capital deficit of $115,216 at September 30, 2024 (2023 – deficit of $15,425) which the Company intends to remedy through a subsequent financing.

The Company does not generate cash flows from operations and will need to raise additional funds through the issuance of shares. Although, the Company has been successful in raising funds in the past there can be no assurance that it will be able to raise sufficient funds in the future, in which case it may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of its assets may be materially less than amounts on the statement of financial position.

Information on outstanding securities

Common shares outstanding	13,575,001
Warrants outstanding	11,650,000
Average exercise price	$ 0.05

Warrants outstanding:

Expiry date	Exercise price	Number
36 months after the date upon which the common shares of the Company first commence trading on a stock exchange	$ 0.05	11,650,000
		11,650,000

During the twelve-month period ended September 30, 2024

During the twelve months ended September 30, 2024, the Company issued the following shares:

On August 29, 2024, the Company completed a non-brokered private placement of 800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $40,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 8, 2024, the Company completed a non-brokered private placement of 1,900,000 units at a price of $0.05 per unit for aggregate gross proceeds of $95,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On November 28, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

Stock Options

The Company has not adopted a stock option plan. As a result, during the twelve-month periods ended September 30, 2024, the Company did not issue any stock options.

Commitments and Contingencies

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in the Mineral Property.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Legal fees are incurred with a firm controlled by a family member of the CFO.

The Company incurred the following key management personnel cost from related parties:

	September 30, 2024 $	**September 30, 2023 $**
Accounting fees	44,826	10,563
Legal fees	61,840	43,762
Management fees	32,603	36,000
Rent	6,863	6,000
	146,132	96,325

As at September 30, 2024, the Company owed $146,383 (2023 - $51,789) to Directors of the Company, management, and companies controlled by related parties which have been recorded in accounts payable and accrued liabilities.

Disclosures

This MD&A supports information disclosed in the Company's condensed interim financial statements. More information regarding the Company's mineral right interests can be found under Note 4 of the Company's condensed interim financial statements for the current reporting period.

Commitments

The Company is required to make the following payments under the terms of its mineral property agreements.

	Cash	Shares by quantity
Upon listing on a Canadian Stock Exchange	$15,000	200,000
On or before the first anniversary of the listing date	$20,000	-
On or before the second anniversary of the listing date	$30,000	-
Totals	$65,000	200,000

Subsequent Events

Subsequent to the twelve-month period ended September 30, 2024:

1. On October 1, 2024, Avventura BC entered into a share exchange agreement dated October 1, 2024 (as amended October 15, 2024 and November 15, 2024, the "Share Exchange Agreement") with Horwood Exploration Corp. (now, Avventura Resources Ltd.) (the "Issuer") and the shareholders of Avventura BC (the "Avventura BC Shareholders"), whereby the Issuer acquired, by way of a reverse takeover transaction, all of the outstanding shares of Avventura BC from the Avventura BC Shareholders in exchange for common shares of the Issuer (the "Transaction").

2. On October 10, 2024, Avventura BC changed its name to "Avventura Resources (BC) Inc." pursuant to the terms of the Share Exchange Agreement.

3. On November 29, 2024, Avventura BC completed the Transaction pursuant to the Share Exchange Agreement (the "Closing"), Avventura BC became a wholly owned subsidiary of the Issuer, and 26,086,369 Issuer common shares (the "Resulting Issuer Shares") were issued and outstanding. Existing Issuer shareholders hold approximately 48% of the Resulting Issuer Shares, and the Avventura BC Shareholders hold the remaining 52% interest.

   Pursuant to the Share Exchange Agreement, each Avventura BC Shareholder received, in exchange for each Avventura BC share it held, one (1) common share in the capital of the Issuer at a deemed issuance price of $0.05 per share, resulting in the issuance of 13,575,001 common shares at Closing. All outstanding warrants of Avventura BC not exercised by the holders thereof prior to the Closing were exchanged for common share purchase warrants of the resulting issuer (the "Resulting Issuer Warrants") on the basis of one half of one (1/2) Resulting Issuer Warrant for each Avventura BC warrant. Each whole Resulting Issuer Warrant is exercisable for one (1) Resulting Issuer Share at an exercise price of $0.10 per Resulting Issuer Share for a period of 36 months from the listing of the Resulting Issuer Shares on a stock exchange. Prior to Closing, the Issuer cancelled 6,675,000 of its outstanding common share purchase warrants.

Critical Accounting Estimates

The preparation of condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities as at the date of the condensed interim financial statements, and expenses for the periods reported.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a. The recoverability of receivables, prepayments and deposits that are included in the consolidated statements of financial position.
b. The fair value of stock options, warrants and compensation options which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
c. The fair value of restricted share units which requires the estimation of the number of awards likely to vest on grant and at each reporting date up to the vesting date.
d. The fair value of the investment for which a quoted market price in an active market is not available.
e. The recoverability of deferred tax assets based on the assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.
f. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment
g. based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. (g) The classification and allocation of expenses as exploration and evaluation expenditures or operating expenses.

Accounting Policies

The accounting policies followed by the Company are set out in Note 2 to the accompanying consolidated condensed interim financial statements for the twelve months ended September 30, 2024.

Risk Factors

Readers are cautioned that the risk factors discussed above in this MD&A are not exhaustive. Readers should also carefully consider the matters discussed under the heading, "Forward Looking Information", in this MD&A.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period from September 30, 2023 to September 30, 2024 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

The following Management's Discussion and Analysis ("MD&A") is current as of March 16, 2025. This MD&A contains a review and analysis of financial results for Avventura Resources (BC) Inc. (formerly Avventura Resources Inc.; "the Company" or "Avventura BC") for the year ended September 30, 2023.

This MD&A supplements but does not form part of the audited financial statements of the Company and notes thereto for the year ended September 30, 2023, and consequently should be read in conjunction with these documents.

All amounts both in the Company's financial statements and this MD&A are expressed in Canadian dollars. The reader is encouraged to review the Company's statutory filings on www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities as at the date of the financial statements, and expenses for the periods reported.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a. The recoverability of receivables, prepayments and deposits that are included in the consolidated statements of financial position.
b. The fair value of stock options, warrants and compensation options which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
c. The fair value of restricted share units which requires the estimation of the number of awards likely to vest on grant and at each reporting date up to the vesting date.
d. The fair value of the investment for which a quoted market price in an active market is not available.
e. The recoverability of deferred tax assets based on the assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.
f. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.
g. The classification and allocation of expenses as exploration and evaluation expenditures or operating expenses.

DESCRIPTION OF BUSINESS

Avventura BC is a Canadian mining company existing under the Business Corporations Act (British Columbia). The Company is principally engaged in the acquisition and exploration of mineral properties.

DEVELOPMENTS

On September 19, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 21, 2023, the Company completed a non-brokered private placement of 700,000 units at a price of $0.05 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On July 19, 2023, the Company completed a non-brokered private placement of 6,500,000 units at a price of $0.02 per unit for aggregate gross proceeds of $130,000. Each unit was comprised of one flow-through common share and one common share purchase warrant. Each warrant was exercisable for one non-flow-through common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On April 21, 2023, the Company completed a non-brokered private placement of 1,250,000 units at a price of $0.02 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one flow-through common share and one common share purchase warrant. Each warrant was exercisable for one non-flow-through common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On March 9, 2023, the Company completed a non-brokered private placement of 1,800,000 common shares at $0.005 per Common Share for gross proceeds of $8,000.

On February 28, 2023, Mr. John Pallot was appointed as a director of the Company, Mr. Anthony Balic was appointed as the Chief Executive Officer and Mr. Mark Lotz was appointed as the Chief Financial Officer and Corporate Secretary. Concurrently Mr. Lotz resigned from his position as Chief Executive Officer and President.

On December 19, 2022, Mr. Quinn Martin resigned from his position as Chief Financial Officer and Corporate Secretary of the Company.

On December 5, 2022, the Company completed a non-brokered private placement of 125,000 common shares at $0.005 per common share for gross proceeds of $625. On the same date, Mr. Yevgeniy Meshcherekov resigned from his directorship of the Company.

MINERAL PROPERTY

The Company's sole asset is the option to acquire the 58 mining claims comprising the Kabik Lake property (the "Property"), located in the Patricia Mining Division of Ontario. The following serves as a background on the Property:

On March 17, 2022, the Company entered into a mineral property option agreement with Gravel Ridge Resources Ltd. and 1544230 Ontario Inc. (the "Optionors"). Pursuant to the agreement, the Company has the right to acquire a 100% interest in the Property.

The Optionors retained a 1.5% net smelter returns royalty ("NSR"), subject to the Company's right to purchase a one-third interest in the NSR, for net payment of $500,000.

The terms of the agreement required the Company to make cash payments totaling $75,000 and issue 200,000 common shares as follows:

i. $10,000 on signing of the Agreement - paid;
ii. An additional $15,000 upon listing on a Canadian stock exchange;
iii. $20,000 on or before the first anniversary of the listing date;
iv. $30,000 on or before the second anniversary of the listing date; and
v. Allotting and issuing to the Optionors an aggregate of 200,000 common shares upon the Listing Date.

ASSETS

The value of the Company's exploration and evaluation assets were comprised of the following as of September 30, 2023:

Cash and cash equivalents:

Cash on hand increased to $54,618 as at September 30, 2023 (2022 - $11,010). The increase of the Company's cash position was the result of the private placements during the period.

Exploration and evaluation assets:

The value of the exploration and evaluation assets, detailed by the exploration program summarized above, increased to $140,026 as at September 30, 2023 (2022 – 10,000).

SUMMARY OF QUARTERLY RESULTS

Below is a summary of the Company's quarterly results for the year ended September 30, 2023, and the period from the Company's incorporation on March 9, 2022, to September 30, 2022, prepared under International Financial Reporting Standards:

	September 30, 2023	**June 30, 2023**	**March 31, 2023**	**December 31, 2022**
Net loss	$ (49,778)	$ (31,420)	$ (18,394)	$ (17,902)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)

	September 30, 2022	**June 30, 2022**
Net loss	$ (5,000)	$ (5,000)
Basic and diluted loss per share	$ (0.01)	$ (0.01)

Financial Performance

<u>For the three months period ended September 30, 2023</u>

Net loss for the three-month period ended September 30, 2023 was $49,778 (2022 - $5,000). Professional fees of $30,761 (2022 – $5,000) related to additional audit fees and legal fees as the Company's met its continuous disclosure requirements. Management fees increased to $15,062 (2022 - Nil) as a result of an increase in management services costs during the commencement of financial and reporting systems set up period.

<u>For the twelve months ended September 30, 2023</u>

Net loss for the year ended September 30, 2023 was $99,702 (2022 – n/a). As the Company was incorporated on May 22, 2022 only nominal administrative activities were undertaken prior to September 30, 2022.

Cash Flows

Net cash used by operating activities in the year ended September 30, 2023 was $31,299 (2022 - $8,351). Increase in cash utilized during the period was due to the increase in corporate activity with the goal of evaluating mineral properties with and meeting the objective of obtaining a public listing.

Net cash used in investing activities in the year ended September 30, 2023 was $138,541 (2022 - $10,000). The increase is due to an increase in property acquisitions and development activity during the period compared to the prior period.

Net cash raised from financing activities in the year ended September 30, 2023, was $213,448 (2022 - $19,925) due to an issuance of shares during the period.

Liquidity and Capital Resources

Total shareholders' equity as of September 30, 2023 was $319,788 as follows:

Balance as of September 30, 2022	$	19,370
Shares issued for cash		212,125
Obligation to issue shares		1,323
Net loss for the period		99,702
Balance as of September 30, 2023	$	133,116

The Company ended the period with cash of $54,618, an increase of $43,608.

There was a working capital deficit of $15,425 at September 30, 2023 (2022 – surplus of $9,369) which the Company intends to remedy through a subsequent financing.

The Company does not generate cash flows from operations and will need to raise additional funds through the issuance of shares. Although, the Company has been successful in raising funds in the past there can be no assurance that it will be able to raise sufficient funds in the future, in which case it may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of its assets may be materially less than amounts on the statement of financial position.

Information on outstanding securities as at September 30, 2023:

Common shares outstanding	10,625,001
Warrants outstanding	8,700,000
Average exercise price	$0.05

Warrants outstanding as at September 30, 2023:

Expiry date	Exercise price	Number
36 months after the date upon which the common shares of the Company first commence trading on a stock exchange	$ 0.05	8,700,000

During the year ended September 30, 2023 the Company issued the following shares:

On September 19, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On August 21, 2023, the Company completed a non-brokered private placement of 700,000 units at a price of $0.05 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On July 19, 2023, the Company completed a non-brokered private placement of 6,500,000 units at a price of $0.02 per unit for aggregate gross proceeds of $130,000. Each unit was comprised of one flow-through common share and one common share purchase warrant. Each warrant was exercisable for one non-flow-through common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On April 21, 2023, the Company completed a non-brokered private placement of 1,250,000 units at a price of $0.02 per unit for aggregate gross proceeds of $35,000. Each unit was comprised of one flow-through common share and one common share purchase warrant. Each warrant was exercisable for one non-flow-through common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

On March 9, 2023, the Company completed a non-brokered private placement of 1,800,000 common shares at $0.005 per Common Share for gross proceeds of $8,000.

On December 5, 2022, the Company completed a non-brokered private placement of 125,000 common shares at $0.005 per common share for gross proceeds of $625.

Stock Options

The Company has not adopted a stock option plan. As a result, during the year ended September 30, 2023, the Company did not issue any stock options.

Commitments and Contingencies

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in the Mineral Property.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Legal fees are incurred with a firm controlled by a family member of the CFO.

The Company incurred the following key management personnel cost from related parties:

	September 30, 2023 $	September 30, 2022 $
Accounting fees	10,563	2,500
Legal fees	43,762	-
Management fees	36,000	2,500
Rent	6,000	-
Total	96,325	5,000

As at September 30, 2023, the Company owed $41,471 (2022 - $Nil) to Directors of the Company, management, and companies controlled by related parties which have been recorded in accounts payable and accrued liabilities.

Disclosures

This MD&A supports information disclosed in the Company's condensed interim financial statements. More information regarding the Company's mineral rights interests can be found under Note 4 of the Company's condensed interim financial statements for the current reporting period.

Commitments

The Company is required to make the following payments under the terms of its mineral property agreements.

	Cash	Shares by quantity
Upon listing on a Canadian Stock Exchange	$15,000	200,000
On or before the first anniversary of the listing date	$20,000	-
On or before the second anniversary of the listing date	$30,000	-
Totals	$65,000	200,000

Subsequent Events

Subsequent to the year ended September 30, 2023:

1. On August 29, 2024, the Company completed a non-brokered private placement of 800,000 units at a price of $0.05 per unit for aggregate gross proceeds of $40,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

2. On August 8, 2024, the Company completed a non-brokered private placement of 1,900,000 units at a price of $0.05 per unit for aggregate gross proceeds of $95,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

3. On November 28, 2023, the Company completed a non-brokered private placement of 250,000 units at a price of $0.05 per unit for aggregate gross proceeds of $12,500. Each unit was comprised of one common share and one common share purchase warrant. Each warrant was exercisable for one common share at an exercise price of $0.05 per common share for a period of 36 months from the date the shares first commence trading on a stock exchange in Canada.

Critical Accounting Estimates

The preparation of condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities as at the date of the condensed interim financial statements, and expenses for the periods reported.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, which could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a. The recoverability of receivables, prepayments and deposits that are included in the consolidated statements of financial position.
b. The fair value of stock options, warrants and compensation options which requires the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.
c. The fair value of restricted share units which requires the estimation of the number of awards likely to vest on grant and at each reporting date up to the vesting date.
d. The fair value of the investment for which a quoted market price in an active market is not available.

e. The recoverability of deferred tax assets based on the assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions.
f. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and to meet its liabilities for the ensuing year involves significant judgment
g. based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. (g) The classification and allocation of expenses as exploration and evaluation expenditures or operating expenses.

Accounting Policies

The accounting policies followed by the Company are set out in Note 2 to the accompanying consolidated condensed interim financial statements for the year ended September 30, 2023.

Risk Factors

Readers are cautioned that the risk factors discussed above in this MD&A are not exhaustive. Readers should also carefully consider the matters discussed under the heading, "Forward Looking Information", of this MD&A.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period from September 30, 2022 to September 30, 2023 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

SCHEDULE "E"

The Issuer's Pro Forma Financial Statements as at September 30, 2024

See attached.

AVVENTURA RESOURCES LTD.

UNAUDITED PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL POSITION
as at Septemeber 30, 2024

Expressed in Canadian Dollars, except where specified otherwise

(Unaudited – Prepared by Management)

AVVENTURA RESOURCES LTD.
UNAUDITED PRO-FORMA CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2024
(Expressed in Canadian Dollars)

	Avventura Resources (BC) Ltd.	Avventura Resources Ltd. (formerly Horwood Exploration Corp.)	Entry	Pro-forma adjustments	Consolidated
ASSETS					
Current Assets					
Cash	34,948	13,257	3b	540,000	-
		-	3c	(41,125)	547,080
Goods and services tax receivable	24,866	1,276		-	26,142
Prepaid expenses and other		578		-	578
	59,814	15,111		498,875	573,800
Non-current					
Exploration and Evaluation assets	155,067	24,000		-	179,067
	214,881	**39,111**		**498,875**	**752,867**
LIABILITIES					
Current Liabilites					
Accounts payable	175,030	31,671	3d	25,437	232,139
Total Current Liabilities	175,030	31,671		25,437	232,139
Total Liabilities	175,030	31,671		25,437	232,139
SHAREHOLDERS EQUITY					
Common stock	214,785	543,919	3a	625,568	-
Share subscriptions receivable	(39,838)		3a	(543,919)	-
			3b	600,000	-
			3b	(60,000)	-
			3b	(26,787)	
			3d	109,563	1,423,291
Reserves	144,841		3b	26,787	171,628
Deficit	(279,937)	(536,479)	3a	536,479	(279,937)
Net loss				(794,253)	(794,254)
	39,851	7,440		473,438	520,728
	214,881	39,111		498,875	752,867

The accompanying notes are an integral part of these unaudited pro-forma condensed consolidated financial statements.

1.PROPOSED ARRANGEMENT

Avventura Resources Ltd. (formerly - Horwood Exploration Corp. ("Horwood", the "Company) and Avventura Resources (BC) Inc., ("Avventura") entered into a share exchange agreement dated October 1, 2024 (the "Transaction"). Under the terms of the Transaction, the original shareholders of Horwood, will hold 12,511,368 post consolidated common shares in the capital of Horwood and the Avventura shareholders will exchange 100% of their shares for 13,575,001 shares of Horwood. Prior to closing, Horwood will cancel 6,675,000 outstanding warrants.

On closing of the Transaction, Horwood will change its name to Avventura Resources Ltd. and the resulting issuer will have 26,086,369 common shares outstanding. Post the transaction, the former holders of Avventura common shares held approximately 52% of the issued and outstanding common shares of the Company and former holders of Horwood Exploration Corp. shares held approximately 48% of the common shares of the Company. Post the transaction, as the majority of the board members and management originated from Avventura Resources (BC) Inc., the transaction was accounted for as a reverse take-over.

Closing of the Transaction is subject to a number of conditions, including regulatory acceptance and shareholder approval. The Transaction cannot close until, among other conditions, the parties conclude their respective due diligence review and required shareholder and regulatory approval is obtained. There can be no assurance that the Transaction will be completed.

2. BASIS OF PRESENTATION

The unaudited pro-forma condensed consolidated financial position ("Pro-Forma Statement of Financial Position") of the Avventura give effect to the Transaction as described above. In substance, the Transaction involves Avventura shareholders obtaining control of Horwood. The Pro-Forma Statement of Financial Position give effect to the acquisition of Avventura outstanding common shares by Horwood as a reverse takeover that does not constitute a business for accounting purposes, in accordance with IFRS 2 - share-based payment. Avventura is deemed to be the acquiring company and its assets, liabilities, equity and historical operating results are included at their historical carrying values. The net assets of Horwood will be recorded at fair value as at the Transaction date with any excess recorded as a reverse-take-over expense. All of Horwood's deficit and other equity balances prior to the Transaction are eliminated.

The accompanying Pro-Forma Statement of Financial Position have been compiled for illustrative purposes by management to give effect to the Transaction as if it had been completed on September 30, 2024.

The Pro-Forma Statement of Financial Position is not intended to reflect the financial position that will exist following the Transaction, nor the statement of loss and comprehensive loss that may be obtained in the future. Actual amounts recorded should the Transaction take place will likely differ from those recorded in the unaudited pro-forma consolidated financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the unaudited pro-forma consolidated financial information.

The Pro-Forma Statement of Financial Position is presented in Canadian dollars ("CAD").

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued):

The Pro-Forma Statement of Financial Position should be read in conjunction with the unaudited condensed interim financial statements of Horwood as at and for the three and nine months ended September 30, 2024, audited financial statements of Horwood as at and for the year ended December 31, 2023, and Avventura audited financial statements as at and for the year ended September 30, 2024.

The unaudited pro-forma condensed consolidated financial statements of the Company have been compiled from, and include:

- Horwood's unaudited financial statements for the three and nine months ended September 30, 2024;
- Avventura's audited financial statements for the year months ended September 30, 2024;
- The additional information set out in Notes 3 of these Pro-Forma Statement of Financial Position.

The pro-forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Horwood net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the Pro-Forma Statement of Financial Position and that those differences may be material.

Further to the Transaction, the consolidated pro-forma financial statements reflect the assets, liabilities and results of operations of Avventura, the legal subsidiary for the year ended September 30, 2024 and the assets, liabilities and results of operations for the nine months ended September 30, 2024, for Horwood.

The accounting policies used in the preparation of the Pro-Forma Statement of Financial Position are those set out in the audited financial statements of Avventura as at and for the years ended September 30, 2024. In preparing the Pro-Forma Statement of Financial Position, a review was undertaken to identify differences between Horwood's accounting policies and those of Avventura that could have a material impact of the pro-forma financial statements. No material differences were noted. On closing of the Transaction, Horwood will adopt the accounting policies set out in Avventura's financial statements

The unaudited pro-forma consolidated statement of financial position gives effect to the completion of the Transaction incorporating the assumptions described below, as if the events had occurred on the date presented being September 30, 2024. The unaudited pro-forma consolidated financial statements have been prepared based on the following assumptions:

a) Upon closing each Avventura shareholder will exchange their Avventura shares for one Horwood resulting in the issuance of 13,575,001 common shares to Avventura shareholders.

   The original Horwood shareholders will hold 12,511,368 shares with an effective value determined by the concurrent financing of $625,568.

(Expressed in Canadian Dollars)

3. UNAUDITED PRO-FORMA ASSUMPTIONS AND ADJUSTMENTS (continued)

b) Concurrent with the Transaction, Avventura expects to raise $600,000 through an issuance of 6,000,000 common shares. Broker fees charged to share issuance costs are estimated to be $60,000 together with 600,000 warrants which are valued using the Black-Scholes option pricing model at $26,787 using the following assumptions: exercise price $0.10, an expected term of 24 months, expected volatility 80%, risk free rate of return 3.18% and a dividend yield of $nil.

c) The Company estimates it will incur costs during the execution of the transaction as follows:

Legal	135,000
Reverse take-over fees	41,125
Total	$ 176,125

d) On January 20, 2025, the Issuer agreed to issue 1,095,630 Common Shares at a price of $0.10 to settle legal fees of $109,563 previously accrued.

e) The Pro-Forma Statement of Finanincial Position has been adjusted for the elimination of Horwood's share capital and accumulated deficit within shareholder's equity.

As a result of the Transaction, a reverse-take-over expense of $618,128 has been recorded. This reflects the difference between the estimated fair value of Horwood shares to Avvenutra shareholders less the fair value of net assets of Horwood acquired.

The preliminary allocation of estimated consideration transferred is subject to change and is summarized as follows:

Acquisition consideration	
12,511,368 common shares at $0.05 per share	$ 625,568

Allocation of purchase price	
Cash	$ 13,257
Accounts receivable	1,276
Exploration assets	24,000
Prepaid expenses	578
Accounts Payable	(31,671)
Charge related reverse acquisition	618,128
	$ 625,568

The pro-forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the Horwood net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transactions. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the Pro-Forma Statement of Financial Position and that those differences may be material.

(Expressed in Canadian Dollars)

4. UNAUDITED PRO FORMA SHARE CAPITAL

As a result of the Transaction, there will be an elimination of Horwood's pre-acquisition capital of $259,243, and the accumulated deficit of $141,460. The acquisition cost of $618,128 is considered to be a one-time cost.

As a result of the Transaction, the share capital as at September 30, 2024 in the unaudited pro-forma condensed consolidated financial statements is comprised of the following:

	Note	Shares	Share Capital	Reserves	Defict	Total Equity
Authorized						
Unlimited common shares without par value						
Issued						
Beginning balance						
Common stock of Horwood as at September 30, 2024		12,511,368	543,919	-	(536,479)	7,440
Elimination of historical share capital and deficit	3a	-	(543,919)	-	536,479	(7,440)
Valuation of Horwood shares at close of transaction		-	625,568	-	-	625,568
Issuance of shares for Avventura acquisition		13,575,001	214,785	-	-	214,785
Subscriptions receivable		-	(39,838)	-	-	(39,838)
Avventura warrant reserve		-	-	144,841	-	144,841
Avventura deficit at September 30, 2024		-	-	-	(279,937)	(279,937)
Share offering - Cash proceeds	3b	6,000,000	600,000	-	-	600,000
Share issuance costs - cash	3b	-	(60,000)	-	-	(60,000)
Share issuance costs - warrants	3b	-	(26,787)	26,787	-	0
Transaction cost		-	-	-	(176,126)	(176,126)
Listing listing charge		-	- -		(618,128)	(618,128)
Shares for debt	3d		109,563			109,563
Ending Balance		32,086,370	1,423,291	171,628	(1,074,191)	520,728

4. UNAUDITED PRO FORMA SHARE CAPITAL (continued):

a) Stock Options

The Company will have no stock options outstanding at the close of the transaction.

b) Warrants

The warrants that will result from the transaction and subsequent financing on a proforma basis are expected to be 7,825,000 with an exercise price of $0.05 with a term of 3 years from time of listing on a Canadian Exchange.

5. INCOME TAXES

The pro-forma effective statutory income tax rate applicable to the consolidated operations subsequent to the completion of the Transaction is approximately 27% for Canada.

SCHEDULE "F"

<u>Audit Committee Charter</u>

See attached.

AUDIT COMMITTEE CHARTER

I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Horwood Exploration Inc. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "Auditor"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS

A. <u>Composition</u>

The Committee shall be comprised of three or more members.

B. <u>Qualifications</u>

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

C. <u>Appointment and Removal</u>

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. <u>Chair</u>

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. <u>Meetings</u>

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. **DUTIES**

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company.

2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

3. Require the Auditor to report directly to the Committee.

4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

1. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting.

2. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

3. Recommend to the Board the compensation of the Auditor.

4. Pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

Internal Financial Controls & Operations of the Company

1. Establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

1. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

2. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.

3. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

4. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

5. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.

   (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.

   (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

1. Review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.

2. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.

3. Review disclosures made to the Committee by the Company's Chief Financial Officer and Chief Executive Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

1. Consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

2. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

3. Meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions.

4. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.

5. Make regular reports to the Board.

6. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

7. Annually review the Committee's own performance.

8. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.

9. Not delegate these responsibilities.

Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

CERTIFICATE OF AVVENTURA RESOURCES LTD.

Dated: March 21, 2025

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

"Anthony Balic"	*"Mark Lotz"*
ANTHONY BALIC	MARK LOTZ
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF
AVVENTURA RESOURCES LTD.

"Eric Allard"	*"John Pallot"*
ERIC ALLARD	JOHN PALLOT
Director	Director

CERTIFICATE OF THE PROMOTER

Dated: March 21, 2025

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

"Anthony Balic"
ANTHONY BALIC

CERTIFICATE OF THE AGENT

Dated: March 21, 2025

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

RESEARCH CAPITAL CORPORATION

"Jovan Stupar"
JOVAN STUPAR
Managing Director, Investment Banking