



CASSIAR GOLD CORP.  
INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS

AS AT AND FOR THE  
THREE- AND SIX-MONTHS ENDED MARCH 31, 2024 AND 2023

EXPRESSED IN CANADIAN DOLLARS

(UNAUDITED)

**Under National Instrument 51-102, Part 4, subsection 4.3(3)9(a)**, if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Cassiar Gold Corp. as of March 31, 2024, have been compiled by management and approved by the Audit Committee and the Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada.

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Financial Position (Unaudited)**  
(Expressed in Canadian dollars)

As at	Note	March 31, 2024 \$	September 30, 2023 \$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash and cash equivalents		2,508,721	4,499,192
Other receivables		159,493	295,488
Prepays		256,132	282,693
<b>TOTAL CURRENT ASSETS</b>		<b>2,924,346</b>	<b>5,077,373</b>
<b>NON-CURRENT</b>			
Property and equipment	4	331,739	350,745
Right-of-use assets	5	55,133	59,897
Deposits	6	1,684,737	1,468,944
Exploration and evaluation assets	7	41,008,487	39,343,082
<b>TOTAL ASSETS</b>		<b>46,004,442</b>	<b>46,300,041</b>
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Trade payables and accrued liabilities		234,397	1,827,973
Flow-through share liability	10	242,987	634,979
Short-term lease obligation	8	49,297	63,107
<b>TOTAL CURRENT LIABILITIES</b>		<b>526,681</b>	<b>2,526,059</b>
<b>NON-CURRENT</b>			
Long-term lease obligation	8	8,783	-
Assets retirement obligation	9	2,868,652	2,811,990
<b>TOTAL LIABILITIES</b>		<b>3,404,116</b>	<b>5,338,049</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	53,975,535	52,063,293
Contributed surplus		19,298,365	18,791,011
Deficit		(30,673,574)	(29,892,312)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>42,600,326</b>	<b>40,961,992</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>46,004,442</b>	<b>46,300,041</b>

NATURE OF OPERATIONS (Note 1)  
GOING CONCERN (Note 2)  
SUBSEQUENT EVENTS (Note 16)

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

Approved by the Board of Directors:

“Marco Roque”

Marco Roque, Director

“Stephen Letwin”

Stephen Letwin, Director

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Net Loss and Comprehensive Loss (Unaudited)**  
(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Note	\$	\$	\$
<b>Expenses</b>				
General and administrative	14	346,718	491,139	759,361
Share-based compensation	10	196,568	202,926	383,041
Depreciation	4,5	21,317	33,529	53,281
<b>Total expenses</b>		<b>564,603</b>	<b>727,594</b>	<b>1,195,683</b>
Interest income		(44,998)	(35,156)	(79,091)
Flow through share premium	10	(50,271)	-	(391,992)
Accretion	9	28,331	17,112	56,662
<b>Net loss and comprehensive loss</b>		<b>497,665</b>	<b>709,550</b>	<b>781,262</b>
<b>Weighted average number of shares</b>		<b>104,294,555</b>	<b>82,218,378</b>	<b>101,373,042</b>
<b>Loss per share – basic and fully diluted</b>		<b>\$0.00</b>	<b>\$0.01</b>	<b>\$0.01</b>

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

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Changes in Shareholders' Equity (Unaudited)**  
(Expressed in Canadian dollars)

	Note	Share Capital	Contributed Surplus	Deficit	Total
		\$	\$	\$	\$
Balance as at September 30, 2022		45,728,783	15,772,067	(28,152,331)	33,348,519
Net loss and comprehensive loss		-	-	(1,277,156)	(1,277,156)
Warrants exercised		333,165	-	-	333,165
Warrants expired		(1,932,687)	1,932,687	-	-
Stock options exercised		83,994	(38,994)	-	45,000
Share-based payments		-	365,488	-	365,488
Capitalized share-based payments		-	147,050	-	147,050
<b>Balance as at March 31, 2023</b>		<b>44,213,255</b>	<b>18,178,298</b>	<b>(29,429,487)</b>	<b>32,962,066</b>
Balance as at September 30, 2023		52,063,293	18,791,011	(29,892,312)	40,961,992
Net loss and comprehensive loss		-	-	(781,262)	(781,262)
Common share issued, net costs	10	1,074,363	-	-	1,074,363
Warrants issued	10	837,879	-	-	837,879
Share-based payments	10	-	383,042	-	383,042
Capitalized share-based payments	10	-	124,312	-	124,312
<b>Balance as at March 31, 2024</b>		<b>53,975,535</b>	<b>19,298,365</b>	<b>(30,673,574)</b>	<b>42,600,326</b>

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

**CASSIAR GOLD CORP.**  
**Interim Condensed Statements of Cash Flows (Unaudited)**  
(Expressed in Canadian dollars)

		Three months ended			Six months ended
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Not e	\$	\$	\$	\$
<b>CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>					
Net loss and comprehensive loss		(497,665)	(709,550)	(781,262)	(1,277,156)
Items not affecting cash:					
Share-based payments	10	196,568	202,926	383,041	294,027
Depreciation	4,5	21,317	33,529	53,281	67,058
Flow through share premium	10	(50,271)	-	(391,992)	(102,389)
Interest on lease liability		2,141	2,297	3,087	5,027
Interest income		(44,998)	(35,156)	(79,091)	(76,102)
Accretion	9	28,331	17,112	56,662	34,224
Change in non-cash working capital					
Other receivables		(36,803)	(31,333)	142,461	304,358
Prepaid expenses		18,782	(360,144)	26,562	(304,034)
Deposits		(215,793)	(500,000)	(215,793)	(1,000,000)
Trade payables and accrued liabilities		37,061	548,721	(1,593,577)	(1,596,058)
<b>Net cash used in operating activities</b>		<b>(541,330)</b>	<b>(831,598)</b>	<b>(2,396,621)</b>	<b>(3,651,045)</b>
<b>CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>					
Interest income received		72,498	53,580	72,625	67,470
Lease payments		(13,406)	(24,219)	(37,625)	(48,438)
Proceeds from share and warrants issuance, net of cost		(43,228)	-	1,912,243	-
Proceeds from options exercised		-	-	-	45,000
Proceeds from warrants exercised		-	-	-	333,165
<b>Net cash generated from financing activities</b>		<b>15,864</b>	<b>29,361</b>	<b>1,947,243</b>	<b>397,197</b>
<b>CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>					
Investment in exploration and evaluation assets	7	(426,131)	(1,427,832)	(1,541,093)	(3,081,566)
<b>Net cash used in investing activities</b>		<b>(426,131)</b>	<b>(1,427,832)</b>	<b>(1,541,093)</b>	<b>(3,081,566)</b>
Increase/(decrease) in cash for the period		(951,597)	(2,230,069)	(1,990,471)	(6,335,414)
<b>CASH &amp; CASH EQUIVALENTS - BEGINNING OF PERIOD</b>		<b>3,460,318</b>	<b>4,484,177</b>	<b>4,499,192</b>	<b>8,589,522</b>
<b>CASH &amp; CASH EQUIVALENTS - END OF PERIOD</b>		<b>2,508,721</b>	<b>2,254,108</b>	<b>2,508,721</b>	<b>2,254,108</b>

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

## 1. CORPORATE INFORMATION

Margaux Resources Ltd. was incorporated under the Alberta Business Corporations Act on August 5, 2009 and changed its name to Cassiar Gold Corp. (the “Corporation” or the “Company”) on September 23, 2020. The Corporation currently trades on the TSX-V and the OTCQB Venture Market under the trading symbols “GLDC” and “CGLCF” respectively. The registered address of the Corporation is Suite 2700, 1133 Melville Street, Vancouver, BC, V6E 4E5.

The Corporation is a mineral acquisition and exploration company focused on gold exploration within British Columbia.

## 2. GOING CONCERN

These consolidated financial statements (“Financial Statements”) have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Corporation be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Corporation incurred a net loss of \$497,665 and \$781,262 (2023 - \$709,550 and \$1,277,156) and had negative cash flows relating to operating activities of \$541,330 and \$2,396,621 (2023 - \$831,598 and \$3,651,045) for the three- and six-months periods ended March 31, 2024. These conditions indicate the existence of a material uncertainty which may cast significant doubt related to the Corporation’s ability to continue as a going concern. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or issuing debt.

The application of the going concern concept is dependent upon the Corporation’s ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

## 3. BASIS OF PREPARATION

These Financial Statements are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These Financial Statements are presented in Canadian dollars which is the Company’s functional currency. In preparing these Financial Statements, the accounting policies, methods of computation and significant judgements made by management in applying the Company’s accounting policies and key sources of estimation of uncertainty were the same as those that applied to the audited financial statements as at and for the year ended September 30, 2023.

The disclosures herein are incremental to those included with the audited annual financial statements as at and for the year ended September 30, 2023 and should be read in conjunction with the annual financial statements as at and for the year ended September 30, 2023. These Financial Statements were authorized for issue by the board of directors on May 24, 2024.

Cassiar Gold Corp.  
Notes to Unaudited Interim Condensed Consolidated Financial Statements  
For the three- and six-months periods ended March 31, 2024 and 2023  
(Expressed in Canadian Dollars)

**4. PROPERTY AND EQUIPMENT**

	Land	Buildings	Computers, Equipment & Vehicles	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance as at September 30, 2022	28,933	380,706	260,286	669,925
Additions/Disposal	-	-	-	-
Balance as at September 30, 2023	28,993	380,706	260,286	669,985
Additions/Disposal	-	-	-	-
Balance as at March 31, 2024	28,993	380,706	260,286	669,985
<b>Accumulated Depreciation</b>				
Balance as at September 30, 2022	-	72,335	202,634	274,969
Additions	-	30,837	13,434	44,271
Balance as at September 30, 2023	-	103,172	216,068	319,240
Additions	-	13,877	5,129	19,006
Balance as at March 31, 2024	-	117,049	221,197	338,246
<b>Net book value</b>				
September 30, 2023	28,993	277,534	44,218	350,745
March 31, 2024	28,993	263,657	39,089	331,739

**5. RIGHT-OF-USE ASSETS**

	ROU \$
<b>Cost</b>	
Balance as at September 30, 2022	179,691
Additions	-
Balance as at September 30, 2023	179,691
Lease modification remeasurement	29,511
Balance as at March 31, 2024	209,202
<b>Accumulated Amortization</b>	
Balance as at September 30, 2022	<b>29,949</b>
Charge for the year	89,845
Balance as at September 30, 2023	119,794
Charge for the year	34,275
Balance as at March 31, 2024	154,069
<b>Net book value</b>	
Balance as at September 30, 2023	59,897
Balance as at March 31, 2024	55,133

The Company amended lease agreement of the Corporation's office on January 4, 2024, to extend the lease term by 1 year with the same price. As a result, the Company remeasured the lease liability and right-of-use assets and recognized \$29,511 additional right-of-use assets for the lease amendment agreement.



## 6. DEPOSITS

The Corporation's deposits include reclamation bonds and cash deposit for permits and license with banks in Canada and Government of Canada. As at March 31, 2024, the Corporation had \$1,684,737 (September 30, 2023 - \$1,468,944) of reclamation bonds and cash deposit with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. \$354,944 of reclamation bonds were acquired pursuant to the acquisition of Cassiar (2020). For the periods ended March 31, 2024, \$205,778 (2023 - \$1,050,000) of reclamation bonds were issued and \$10,015 (2023 - \$Nil) of cash were paid pursuant to government regulations.

## 7. EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2022	\$25,989,647	\$2,187,826	\$28,177,473
Change in estimate of asset retirement obligation	484,485	-	484,485
Share based compensation related to the projects	376,583	-	376,583
Exploration costs	10,283,651	20,890.00	10,304,541
Balance at September 30, 2023	37,134,366	2,208,716	39,343,082
Share based compensation related to the projects	124,312	-	124,312
Exploration costs	1,541,093	-	1,541,093
Balance at March 31, 2024	\$38,799,771	\$2,208,716	\$41,008,487

Exploration and Evaluation ("E&E") assets consist of costs expended on the Corporation's projects which are pending determination of technical feasibility and commercial viability.

### Cassiar Gold Project

On March 25, 2019, the Corporation entered into an Option Agreement (the "Cassiar Gold Option Agreement") with Wildsky Resources Inc. ("Wildsky") for an option to acquire a 100% interest in the Cassiar Gold project (the "Cassiar Gold Project") by way of an all-share agreement. In order to exercise the option, the Corporation had to issue 11,640,000 Common Shares over 18 months. Pursuant to the Cassiar Gold Option Agreement the Corporation must also undertake exploration on the Cassiar Gold property and had to satisfy certain other conditions as follows:

- (a) Cassiar will expend at least \$400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;
- (b) Six months after the transfer of the Common Shares, Wildsky will have the right to appoint one member to the board of directors of Cassiar;
- (c) Twelve months after the transfer of the Common Shares, Wildsky will have the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar;
- (d) Twelve months after the transfer of the Common Shares, Wildsky will have the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably; and,
- (e) Wildsky being granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar Gold Project, after capital payout of up to \$500,000.

During the year ended September 30, 2021, the Corporation satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Corporation. The deemed value of the exercise of the option was \$3,259,200 in Common Shares. Liabilities assumed by the Corporation were \$2,666,584 on acquisition and related to asset retirement obligations. As at March 31, 2024, liabilities assumed by the Corporation were \$2,868,652 based on recent reclamation cost estimation (Note 9).

## 7. EXPLORATION AND EVALUATION ASSETS (continued)

During the periods ended March 31, 2024, the Corporation incurred \$1,541,093 (2023 - \$3,078,950) exploration and evaluation costs and \$124,312 (2023 - \$218,510) share based compensation cost for the project.

### Sheep Creek Gold District Project

The Sheep Creek Project consists of the Bayonne and Sheep Creek properties (collectively the “Sheep Creek Project”). On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. for the acquisition of 100% of the Sheep Creek Project, located in Salmo, British Columbia (the “Bayonne and Sheep Creek Option Agreement”).

Under the terms of the Bayonne and Sheep Creek Option Agreement and as amended on February 10, 2020, July 10, 2020, and February 15, 2021, the Corporation had the exclusive option to acquire:

- the Bayonne property, by making payments to Yellowstone Resources Ltd. of an aggregate \$154,000 cash and aggregate issuance of 182,727 shares, paid in several installments over three years. The Corporation has paid in full these amounts during the year ended September 30, 2022.
- the Sheep Creek property by making payments to Yellowstone Resources Ltd. of an aggregate \$436,000 cash and aggregate issuance of 150,000 shares and 242,424 deferred payment shares, paid in several installments over five years.

During the year ended September 30, 2022 the Corporation paid \$100,000 in cash and issued 90,000 shares to satisfy the final payments under the Bayonne and Sheep Creek Option Agreement and acquired a 100% interest in the Sheep Creek Project.

During the periods ended March 31, 2024, the Corporation incurred \$Nil (2023 - \$2,617) exploration and evaluation costs for the project.

## 8. LEASE OBLIGATION

	<b>Lease Liability</b>
	<b>\$</b>
<b>Carrying Value</b>	
Balance as at September 30, 2022	151,696
Lease addition	-
Accretion of lease liability	8,288
Repayment of principal and interest	(96,877)
<b>Balance as at September 30, 2023</b>	<b>63,107</b>
Lease addition	29,511
Accretion of lease liability	3,087
Repayment of principal and interest	(37,625)
<b>Balance as at March 31, 2024</b>	<b>58,080</b>
Short term lease liability	49,297
Long term lease liability	8,783

The Corporation’s lease relates to the corporation’s office. A discount rate of 8.00% was used to determine the present value of the lease obligations. The Company amended the lease agreement on January 4, 2024, to extend the lease term by 1 year with the same price. As a result, the Company remeasured the lease liability and recognized \$29,511 additional lease liability for the lease amendment agreement. A discount rate of 14% was used to determine the present value of the lease obligations on remeasurement date.

## 9. ASSET RETIREMENT OBLIGATION (“ARO”)

The Company has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation, and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

Balance at September 30, 2022	\$2,259,056
Accretion expense	68,449
Change in estimate	484,485
Balance at September 30, 2023	2,811,990
Accretion expense	56,662
Balance at March 31, 2024	\$2,868,652

The total discounted cash flow estimated to settle the obligations as at March 31, 2024 was \$2,868,652 (September 30, 2023 – \$2,811,990) which was based on the recent reclamation cost estimation, and adjusted for inflation at the rate of 2.57% per annual and then discounted at a risk free rate of 4.03%. A total of \$2,868,652 discounted reclamation costs are expected to be incurred in 2033.

As at March 31, 2024, the Corporation had \$1,684,737 (September 30, 2023 - \$1,468,944) of reclamation bonds and cash deposit with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. (Note 6)

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS

### Authorized

Unlimited number of common shares

The common shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. No preferred shares have been issued by the Corporation.

Common Shares		
	Number of Common Shares	Share capital
<b>Balance at September 30, 2023</b>	<b>96,869,044</b>	<b>\$49,952,631</b>
Common share issued	7,425,511	1,074,363
<b>Balance at March 31, 2024</b>	<b>104,294,555</b>	<b>\$51,026,994</b>

Warrants		
	Number of warrants	Share capital
<b>Balance at September 30, 2023</b>	<b>12,873,484</b>	<b>\$2,110,662</b>
Warrants issued	7,425,511	837,879
<b>Balance at March 31, 2024</b>	<b>20,298,995</b>	<b>\$2,948,541</b>

Total share capital at September 30, 2023	\$52,063,293
Total share capital at March 31, 2024	\$53,975,535

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

On December 12, 2023, the Company closed a non-broker private placement as below:

The Company issued 6,005,500 non-flow-through units ("Units) at a price of \$0.25 per share for gross proceeds of \$1,501,375. Each Unit consists of one common share ("Common Share") of the Company and one Common Share purchase warrant ("Warrant").

The Company issued 1,420,011 flow-through units ("FT Units) at a price of \$0.35 per unit for gross proceeds of \$497,004. Each FT Unit consists of one Common Share of the Company issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) and one Warrant.

Each Warrant will be exercisable by the holder to acquire one Common Share at a price of \$0.50 for a period of 24 months from the date of issuance.

In connection with the non-broker private placement, \$79,553 finders' fees were paid in cash and 264,930 finders' warrants were issued. Each finders' warrant is exercisable to acquire one Common Share at a price of \$0.50 for a period of 24 months from the date of issuance.

A fair value of \$837,879 has been attributed to the warrants based on the Black-Scholes option pricing model on the date of grant using the following assumptions:

Risk-free rate	3.91%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	75%
Weighted-average fair value	\$0.11
Expected Life	2 years

### Flow-through shares

During the periods ended March 31, 2024, the Company raised \$497,004 (2023 - \$Nil) on a CEE flow-through share basis and was required to incur a net total of \$497,004 (2023 - \$Nil) of qualifying expenditures to renounce the tax deductions to investors.

As at March 31, 2024, the Company still needs to incur an additional \$2,269,630 (September 30, 2023 - \$4,893,073) to meet its flow through share commitment. A flow-through share premium liability of \$242,987 (September 30, 2023 - \$634,979) was recognized as the Company has not incurred sufficient qualifying expenditures to offset the liability.

The flow-through share premium of \$50,271 and \$391,992 (2023 - \$Nil and \$102,389) was recognized during the three- and six-months periods ended March 31, 2024.

### Stock option plan

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for the period of up to ten (10) years. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

All options expire in five years and vest based on terms and conditions set out in the stock option agreements. A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise
Exercisable as at September 30, 2022	3,912,325	\$0.68
Outstanding at September 30, 2022	6,093,668	\$0.67
Granted	1,400,000	\$0.35
Cancelled	(248,000)	\$1.16
Exercised	(100,000)	\$0.45
Exercisable as at September 30, 2023	4,935,659	\$0.65
Outstanding at September 30, 2023	7,145,668	\$0.60
Forfeited	(40,000)	\$0.42
Exercisable as at March 31, 2024	5,102,326	\$0.66
Outstanding at March 31, 2024	7,105,668	\$0.60

At March 31, 2024, the weighted-average life of the options outstanding was 2.69 years (September 30, 2023 – 3.20 years). Details of stock options outstanding as at March 31, 2024 were as follows:

Exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
\$0.50	0.23	485,000	485,000
\$0.75	1.41	1,150,000	1,150,000
\$0.60	1.98	1,710,668	1,710,667
\$0.79	2.63	470,000	470,000
\$0.66	3.45	1,920,000	1,286,659
\$0.35	4.48	1,370,000	-
<b>Total</b>	<b>2.69</b>	<b>7,105,668</b>	<b>5,102,326</b>

Total share-based payments of \$102,467 and \$204,610 (2023 – \$159,784 and \$303,007) for the three- and six-months periods ended March 31, 2024 were recognized based on the estimated fair value of the options on the grant date using the Black-Scholes option pricing model. Of the total share-based payments, \$27,961 and \$58,921 (2023 - \$51,049 and \$92,983) were capitalized to E&E.

### Share unit plan

The Corporation has established a deferred share unit and restricted share unit plan (the "Unit Plan"), which provides for the grant of DSUs and RSUs to eligible directors, officers, employees, advisors and consultants of the Company. The Unit Plan provides for settlement through cash payment or the issuance of common shares. The form of settlement is at the option of the Corporation. The Corporation does not intend to make cash payments and there is no history of the Company making cash payments under the Unit plan and, as such, the DSUs and RSUs are accounted for within shareholders' equity. These common shares would be issued from the same 10% rolling pool as the common shares issued under the Corporation's Deferred Share Unit Plan and the Company's Share Option Plan. As DSUs and RSUs are expected to be settled with equity, an amount equal to compensation expense is initially credited to contributed surplus, recognized over the term of the vesting period, and transferred to share capital if and when the units are exercised.

The Corporation has adopted its Share Unit Plan which received shareholder approval on March 16, 2022.

## 10. SHARE CAPITAL, WARRANT RESERVE AND STOCK OPTIONS (continued)

RSU and DSU movements during the period ended March 31, 2024 are as follows:

	Number of RSUs
Outstanding as at September 30, 2022	1,068,000
Granted	1,390,000
Exercised	(665,998)
Cancelled	(44,000)
Outstanding at September 30, 2023	1,748,002
Forfeited	(40,000)
Outstanding at March 31, 2024	1,708,002

  

	Number of DSUs
Outstanding as at September 30, 2022	744,000
Granted	550,000
Exercised	(488,002)
Cancelled	(16,000)
Outstanding at September 30 and March 31, 2024	789,998

Total share-based payments of \$151,697 and \$302,743 (2023 – \$122,316 and \$209,531) for the three- and six-months periods ended March 31, 2024 were recognized based on the estimated fair value of the RSU and DSU from \$0.345 to \$0.79. Of the total share-based payments, \$29,635 and \$65,391 (2023 - \$28,125 and \$54,068) were capitalized to E&E.

During the periods ended March 31, 2024, \$Nil (2023 - \$71,460) share based payments for previous year were reclassified to capitalized to E&E as the share-based payments were related to exploration and development activities.

## 11. CAPITAL DISCLOSURES

The Corporation considers its capital to include shareholders' equity. The objectives of the Corporation are to attain a strong financial position from which the Corporation will be able to exhibit continued growth and obtain access to capital. The Corporation has no externally imposed restrictions.

The Corporation manages its capital structure and adjusts considering changes in economic conditions and risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Corporation may from time to time, issue shares, obtain debt financing, or adjust capital spending. As at March 31, 2024, the capital structure of the Corporation currently consists of shareholder's equity, which was \$42,600,326 (September 30, 2023 - \$40,961,992).

## 12. FAIR VALUE

IFRS 13, Fair Value Measurement, 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).

The carrying values of cash, other receivables, trade and other payables and note payable approximate their fair values due to their short terms to maturity.

### 13. FINANCIAL INSTRUMENTS

The Corporation is exposed to financial risks from normal course business exposures, as well as from the Corporation's use of financial instruments. These risk factors include market risk, liquidity risk, and credit risk.

#### (a) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The market price movements that could adversely affect the value of the Corporation's financial assets, liabilities and expected future cash flows include commodity price risk, interest rate risk and foreign exchange risk.

##### (i) Commodity price risk

The Corporation may employ the use of various financial instruments in the future to manage price exposure; the Corporation is not currently using any such instruments. The Corporation currently has not obtained any hedging instruments.

##### (ii) Interest rate risk

Interest rate risk is the risk of exposure to changes in market interest rates affecting future cash flows. The Corporation is not exposed to significant interest rate risk.

##### (iii) Foreign exchange risk

Foreign currency risk arises from fluctuations in foreign exchanges rates and the degree of volatility of these rates relative to the Canadian dollar. The Corporation is not exposed to significant foreign exchange risk given it has no financial instruments denominated in a foreign currency.

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation may need to obtain additional sources of cash resources to execute future exploration programs and believes that it has access to sufficient capital through potential external equity sources to meet projected expenditures.

#### (c) Credit risk

Credit risk is the risk that a customer or counter party will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Corporation's credit risk is primarily attributable to cash and is subject to normal credit risks. Credit risk associated with cash is minimal as the Corporation deposits its cash with a large Canadian financial institution that has been accorded a strong investment grade rating by a primary rating agency.

### 14. GENERAL AND ADMINISTRATIVE

General and administrative details for the three- and six-months periods ended March 31, 2024 and 2023:

	Three months ended		Six months ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Consulting	18,423	92,588	114,383	112,113
Management fees	109,653	113,811	218,516	233,192
Marketing	79,193	147,031	213,765	539,324
Office and administrative	36,305	33,342	61,070	56,294
Professional Fees	102,021	102,848	150,277	116,148
Travel and meals	1,123	1,519	1,350	3,267
<b>Total</b>	<b>\$346,718</b>	<b>\$491,139</b>	<b>\$759,361</b>	<b>\$1,060,338</b>

## 15. RELATED PARTY TRANSACTIONS

All related party transactions are in the normal course of operations and initially recorded at fair value.

As at March 31, 2024, the balance due to related parties is \$Nil (September 30, 2023 - \$16,198) due to directors and officers included in trade payables and accrued liabilities.

### Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three- and six-months periods ended March 31, 2024 and 2023 were as follows:

	Three Months Ended		Six month Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Short-term compensation	150,435	162,249	307,568	324,498
Share-based payments	176,402	163,031	342,474	308,403
Capitalized share-based payments	32,062	33,591	61,328	60,924
<b>Total</b>	<b>\$358,899</b>	<b>\$358,871</b>	<b>\$711,370</b>	<b>\$693,825</b>

## 16. SUBSEQUENT EVENTS

On May 3, 2024, the Company closed a non-broker, upsized private placement:

The Company issued 10,832,735 non-flow-through units (“Units”) at a price of \$0.25 per share for gross proceeds of \$2,708,184. Each Unit consists of one common share (“Common Share”) of the Company and one Common Share purchase warrant (“Warrant”).

The Company issued 1,769,284 flow-through units (“FT Units”) at a price of \$0.35 per FT Unit for gross proceeds of \$619,249. Each FT Unit consists of one Common Share of the Company issued on a “CEE flow-through” basis pursuant to the *Income Tax Act* (Canada) and one Warrant.

The Company issued 4,000,000 charity flow-through units (“CFT Units”) at a price of \$0.37 per CFT Unit for gross proceeds of \$1,480,000 and 5,250,000 CFT Units at a price of \$0.3825 per CFT Unit for gross proceeds of \$2,008,125. Each CFT Unit consists of one Common Share of the Company issued on a “CEE flow-through” basis pursuant to the *Income Tax Act* (Canada) and one Warrant.

Each Warrant will be exercisable by the holder to acquire one Common Share at a price of \$0.50 for a period of 24 months from the date of issuance.