

TEUTON RESOURCES CORP.

Condensed Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The Company's external auditors, Charlton & Company, Chartered Professional Accountants, have not performed a review of these condensed consolidated financial statements.

TEUTON RESOURCES CORP.

Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2024 \$	December 31, 2023 \$
	(unaudited)	
Assets		
Current assets		
Cash	1,062,709	1,228,229
Marketable securities (Note 3)	7,810,987	8,686,816
Taxes receivable	37,345	46,728
Due from related party (Note 6)	14,080	10,600
Prepaid expenses and deposits	96,318	74,852
Total current assets	9,021,439	10,047,225
Non-current assets		
Reclamation bonds (Note 5)	264,366	264,366
Property and equipment (Note 4)	918,539	925,139
Exploration and evaluation assets (Note 5)	3,420,309	3,413,386
Total non-current assets	4,603,214	4,602,891
Total assets	13,624,653	14,650,116
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	43,099	62,148
Due to related party (Note 6)	18,554	8,667
Total liabilities	61,653	70,815
Shareholders' equity		
Share capital	32,918,236	32,918,236
Share-based payment reserve	6,620,186	6,620,186
Deficit	(25,975,422)	(24,959,121)
Total shareholders' equity	13,563,000	14,579,301
Total liabilities and shareholders' equity	13,624,653	14,650,116

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

Approved and authorized for issuance on behalf of the Board on May 30, 2024:

/s/ "Dino Cremonese"

Dino Cremonese, Director

/s/ "Robert Smiley"

Robert Smiley, Director

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

TEUTON RESOURCES CORP.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(Expressed in Canadian dollars)

(unaudited)

	Three months ended March 31, 2024 \$	Three months ended March 31, 2023 \$
Expenses		
Consulting	54,500	42,500
Depreciation	5,939	6,662
Investor relations	597	2,500
Office, rent, and telephone (Note 6)	5,178	9,464
Professional fees	6,792	(375)
Salaries and benefits (Note 6)	46,046	46,895
Share-based compensation (Note 6)	—	922,088
Transfer agent and regulatory fees	22,533	14,601
Travel	7,371	1,982
Total expenses	148,956	1,046,317
Loss before other income (expense)	(148,956)	(1,046,317)
Other income (expense)		
Interest income	8,484	11,988
Loss on disposal of marketable securities	—	(37,468)
Unrealized gain (loss) on marketable securities (Note 3)	(875,829)	1,074,780
Total other income (expense)	(867,345)	1,049,300
Net income (loss) and comprehensive income (loss) for the period	(1,016,301)	2,983
Earnings (loss) per share, basic and diluted	(0.02)	—
Weighted average number of common shares outstanding	57,346,881	57,346,881

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

TEUTON RESOURCES CORP.

Condensed Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(unaudited)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount \$	\$	\$	\$
Balance, December 31, 2023	57,346,881	32,918,236	6,620,186	(24,959,121)	14,579,301
Net income for the period	—	—	—	(1,016,301)	(1,016,301)
Balance, March 31, 2024	57,346,881	32,918,236	6,620,186	(25,975,422)	13,563,000
Balance, December 31, 2022	57,346,881	32,918,236	5,698,098	(23,049,147)	15,567,187
Fair value of stock options granted	—	—	922,088	—	922,088
Net loss for the period	—	—	—	2,983	2,983
Balance, March 31, 2023	57,346,881	32,918,236	6,620,186	(23,046,164)	16,492,258

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

TEUTON RESOURCES CORP.

Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(unaudited)

	Three months ended March 31, 2024 \$	Three months ended March 31, 2023 \$
Operating activities		
Net income (loss) for the period	(1,016,301)	2,983
Items not involving cash:		
Depreciation	5,939	6,662
Loss on disposal of marketable securities	—	37,468
Share-based compensation	—	922,088
Unrealized loss (gain) on marketable securities	875,829	(1,074,780)
Changes in non-cash operating working capital:		
Taxes receivable	9,383	600
Prepaid expenses and deposits	(21,466)	—
Accounts payable and accrued liabilities	(19,049)	(25,904)
Due to/from related parties	6,407	(8,147)
Net cash used in operating activities	(159,258)	(139,030)
Investing activities		
Exploration and evaluation asset expenditures	(6,262)	(5,237)
Mineral property option payments received	—	32,000
Proceeds from sale of marketable securities	—	68,981
Net cash provided by (used in) investing activities	(6,262)	95,744
Change in cash	(165,520)	(43,286)
Cash, beginning of period	1,228,229	2,410,982
Cash, end of period	1,062,709	2,367,696
Non-cash investing and financing activities:		
Depreciation of property and equipment included in exploration and evaluation assets	661	826
Fair value of marketable securities received as mineral property option payments	—	88,000

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

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements

Three Months Ended March 31, 2024

(Expressed in Canadian dollars)

(unaudited)

1. Nature of Operations and Going Concern

Teuton Resources Corp. (the "Company") is an exploration stage company and is in the business of acquiring, exploring and dealing in mineral properties in the province of British Columbia, Canada. There has been no determination whether properties held contain economically recoverable ore reserves. The Company jointly conducts business and exploration activities with another publicly listed company, Silver Grail Resources Ltd. ("Silver Grail"). Silver Grail shares office premises and consultants and has common directors. The Company's head office and principal place of business is 2130 Crescent Road, Victoria, BC, Canada. The Company is listed as a Tier 2 mining issuer on the TSX Venture Exchange ("TSX-V") under the symbol "TUO".

In the ordinary course of business, the Company sells or options property interests to third parties, accepting as consideration cash and/or securities of the acquiring party. The Company attempts to realize upon the value of securities as opportunities present themselves. The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

These condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2024, the Company has no source of recurring revenue, generates negative cash flows from operating activities, and has an accumulated deficit of \$25,975,422 (December 31, 2023 - \$24,959,121). However, as at March 31, 2024, the Company had a working capital of \$8,959,786 (December 31, 2023 - \$9,976,410). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that the Company has sufficient working capital to meet the Company's liabilities and commitments as they become due. If necessary, capital will be obtained from external financings. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors cast significant doubt on the Company's ability to continue as a going concern. These condensed financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

(a) Basis of Preparation

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited financial statements as at and for the year ended December 31, 2023.

These condensed consolidated financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2023. Interim results are not necessarily indicative of the results expected for the fiscal year.

These condensed consolidated financial statements include the accounts of the Company and its wholly owned inactive subsidiary, Luxor Metals Ltd., incorporated on January 17, 2024 in the province of British Columbia, Canada. All significant inter-company balances and transactions have been eliminated on consolidation.

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements

Three Months Ended March 31, 2024

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2. Material Accounting Policies (continued)**(b) Accounting Standards Issued But Not Yet Effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2024, and have not been early adopted in preparing these condensed consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated financial statements.

3. Marketable Securities

	December 31, 2023 Fair value \$	Additions \$	Disposals \$	Unrealized loss \$	March 31, 2024 Fair value \$
Marketable securities	8,686,816	—	—	(875,829)	7,810,987

The Company holds equity securities in publicly traded companies. During the three months ended March 31, 2024, the Company recorded an unrealized loss in the amount of \$875,829 (2023 – unrealized gain of \$1,074,780).

4. Property and Equipment

	Land \$	Building \$	Computer equipment \$	Field and drilling equipment \$	Furniture and equipment \$	Vehicle \$	Total \$
Cost:							
Balance, December 31, 2023 and March 31, 2024	713,294	189,833	6,963	116,080	77,519	126,126	1,229,815
Accumulated depreciation:							
Balance December 31, 2023	—	52,031	5,944	102,866	63,703	80,132	304,676
Additions	—	1,722	76	661	691	3,450	6,600
Balance March 31, 2024	—	53,753	6,020	103,527	64,394	83,582	311,276
Carrying amounts:							
As at December 31, 2023	713,294	137,802	1,019	13,214	13,816	45,994	925,139
As at March 31, 2024	713,294	136,080	943	12,553	13,125	42,544	918,539

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Notes to the Condensed Consolidated Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets

Exploration and evaluation assets consist of:

	Three months ended March 31, 2024 \$	Year ended December 31, 2023 \$
Balance, beginning of period	3,413,386	3,486,431
Assays	418	21,467
Depreciation	661	3,303
Engineering	—	41,000
Equipment rental, safety personnel, and supplies	3,445	13,221
Geological and geophysical	1,850	84,953
Helicopters	—	136,243
Property taxes	—	24,680
Staking	—	1,281
Travel and accommodations	549	12,837
	6,923	338,985
Impairment of exploration and evaluation assets	—	(191,835)
Disposal of exploration and evaluation assets	—	(100,000)
Property option and cost recoveries received	—	(271,000)
Option proceeds in excess of capitalized costs recorded as income	—	150,805
	—	(412,030)
Balance, end of period	3,420,309	3,413,386

(a) Skeena Mining Division, British Columbia

The Company owns or originally owned a 100% interest in the following properties in the Skeena Mining Division.

(i) Treaty Creek Property

On April 4, 2007, the Company entered into an option agreement with American Creek Resources Ltd. ("American Creek") whereby American Creek had the right to earn a 51% interest in the Company's Treaty Creek Property. Under the terms of the option agreement, American Creek earned a 51% interest in the Treaty Creek Property by issuing 100,000 shares and incurring exploration expenditures on the Treaty Creek Property aggregating \$5,000,000.

St. Andrew Goldfields Ltd. has a 2% net smelter return royalty ("NSR") on 24 of the 44 mineral claims included in the Treaty Creek property. A buy-back of 1% of the NSR for \$1,000,000 is exercisable at any time until six months has passed from the commencement of commercial production.

On May 10, 2016, the Company entered into a joint venture agreement with Tudor Gold Corp. ("Tudor Gold") and American Creek with respect to the Treaty Creek property. Pursuant to this joint venture agreement, Tudor Gold will issue 500,000 common shares in the capital of Tudor Gold to each of American Creek and the Company to purchase American Creek's 31% interest and the Company's 29% interest, respectively, in the property (received). Tudor Gold must also incur \$1,000,000 in exploration expenditures during the year ended December 31, 2016 (incurred).

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements

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(Expressed in Canadian dollars)

(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(i) Treaty Creek Property (continued)

Thereafter, Tudor Gold will hold an immediate 60% interest, and the Company and American Creek will each hold an immediate 20% interest in the joint venture. Both the Company and American Creek's interests are fully carried during the exploration period until a production notice is given. Once a production notice has been received, the Company and American Creek will each be responsible for 20% of the costs going forward under the terms of the joint venture agreement.

The Company retains a 0.98% NSR on certain core claims within the property and 0.49% NSR on peripheral claims.

(ii) Bonsai Property

The Company owns a 100% interest in the Bonsai property located in the Skeena Mining Division.

(iii) Leduc Silver Property

The Company owns a 100% interest in the Leduc Silver property located in the Skeena Mining Division.

(iv) Stamp Claims

The Company owns a 100% interest in the Stamp property located in the Skeena Mining Division.

(v) Four J's Claims

The Company owns a 100% interest in the Four J's property located in the Skeena Mining Division.

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(vi) Lord Nelson Property

On August 24, 2020, the Company entered into an agreement whereby Decade can earn up to a 75% interest in Lord Nelson property.

To earn a 55% interest in the property, Decade must do the following:

Cash consideration to be paid to the Company:

- \$10,000 to be paid upon execution of the agreement (received);
- a further \$15,000 to be paid on or before the earlier of August 24, 2021 and the date which is 30 days after the date on which Decade has completed the year one exploration expenditures (received);
- a further \$20,000 to be paid on or before the earlier of August 24, 2022 and the date which is 30 days after the date on which Decade has completed the year two exploration expenditures (extended to August 24, 2025);
- a further \$25,000 to be paid on or before the earlier of August 24, 2023 and the date which is 30 days after the date on which Decade has completed the year three exploration expenditures (extended to August 24, 2025); and
- a further \$30,000 to be paid on or before the earlier of August 24, 2024 and the date which is 30 days after the date on which Decade has completed the year four exploration expenditures (extended to August 24, 2025).

Share consideration to be paid by Decade:

- 400,000 shares to be issued upon Exchange approval (received);
- a further \$15,000 worth of shares on the earlier of August 24, 2021 and 30 days after the date that Decade has completed the year one exploration expenditures (received);
- a further \$20,000 worth of shares on the earlier of August 24, 2022 and 30 days after the date that Decade has completed the year two exploration expenditures (extended to August 24, 2025);
- a further \$25,000 worth of shares on the earlier of August 24, 2023 and 30 days after the date that Decade has completed the year three exploration expenditures (extended to August 24, 2025); and
- a further \$30,000 worth of shares on the earlier of August 24, 2024 and 30 days after the date that Decade has completed the year four exploration expenditures (extended to August 24, 2025).

Exploration expenditures to be incurred by Decade:

- \$200,000 on or before August 24, 2021 (incurred);
- a further \$250,000 on or before August 24, 2022 (extended to August 24, 2025);
- a further \$300,000 on or before August 24, 2023 (extended to August 24, 2025);
- a further \$500,000 on or before August 24, 2024 (extended to August 24, 2025); and
- a further \$750,000 on or before August 24, 2025.

Decade has the right to earn an additional 20% interest by placing the property into production. The Company retains a 2% NSR.

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(vii) High South Claims

On April 11, 2011, the Company issued 600,000 common shares with a fair value of \$342,000 pursuant to an agreement to purchase 12 mineral claims situated in the High South region. These claims are subject to a 2% NSR.

(viii) Fairweather Property

On December 15, 2015, the Company entered into an option agreement with Tudor Gold Corp. ("Tudor") whereby Tudor had the right to earn a 100% interest in the Company's Fairweather property located in the Skeena Mining Division. During the year ended December 31, 2020, all agreements were fully executed and the Company transferred its 100% interest in the Fairweather Property to Tudor. The Company retains an NSR of 1.0% to 2.0% on the property with no option for Tudor to buy back the royalty.

(ix) Tennyson Property

The Company owns a 100% interest in the Tennyson gold-copper property located in the Skeena Mining Division.

(x) Harry Property

On September 13, 2021, the Company entered into an agreement with Optimum Ventures Ltd. ("Optimum") whereby Optimum has the right to earn 80% interest in the Company's Harry Property located in the Skeena Mining Division.

On June 28, 2023, the Company entered into a consent agreement with Optimum pursuant to a proposed transaction with Blackwolf Copper ("Blackwolf") and Gold Ltd. Upon completion of the transaction, Optimum will be a wholly-owned subsidiary of Blackwolf, and Blackwolf will assume the obligation to issue any optionee shares.

To earn an 80% interest in the property, Optimum must do the following:

Cash consideration to be paid:

- \$50,000 to be paid upon receipt of Exchange approval (November 15, 2021) (received);
- a further \$75,000 to be paid on or before the earlier of November 15, 2022 and the date which is 30 days after the date on which Optimum has completed the Year One Expenditures (received);
- a further \$100,000 to be paid on or before the earlier November 15, 2023 and the date which is 30 days after the date on which Optimum has completed the Year Two Expenditures (received);
- a further \$150,000 to be paid on or before the earlier of November 15, 2024 and the date which is 30 days after the date on which Blackwolf has completed the Year Three Expenditures (not received, see below);
- a further \$400,000 to be paid on or before the earlier of November 15, 2025 and the date which is 30 days after the date on which Blackwolf has completed the Year Four Expenditures; and
- a further \$725,000 to be paid on or before the earlier of November 15, 2026 and the date which is 30 days after the date on which Blackwolf has completed the Year Five Expenditures.

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(x) Harry Property (continued)

Share consideration to be paid by Optimum:

- 200,000 shares to be issued upon Exchange approval (received);
- a further 300,000 shares to be issued on the earlier of November 15, 2022 and 30 days after the date that Optimum has completed the year one exploration expenditures (received);
- a further 300,000 shares to be issued on the earlier of November 15, 2023 and 30 days after the date that Optimum has completed the year two exploration expenditures (received);
- a further 455,000 shares to be issued on the earlier of November 15, 2024 and 30 days after the date that Blackwolf has completed the year three exploration expenditures (not received, see below);
- a further 650,000 shares to be issued on the earlier of November 15, 2025 and 30 days after the date that Blackwolf has completed the year four exploration expenditures; and
- a further 975,000 shares to be issued on the earlier of November 15, 2026 and 30 days after the date that Blackwolf has completed the year five exploration expenditures.

Exploration expenditures to be incurred by Optimum:

- \$500,000 on or before November 15, 2022 ("Year One Expenditures") (incurred);
- a further \$1,000,000 on or before November 15, 2023 ("Year Two Expenditures") (incurred);
- a further \$1,500,000 on or before November 15, 2024 ("Year Three Expenditures") (incurred);
- a further \$2,000,000 on or before November 15, 2025 ("Year Four Expenditures"); and
- a further \$4,000,000 on or before November 15, 2026 ("Year Five Expenditures").

Upon the exercise of the option and Blackwolf acquiring an 80% interest, the parties will enter into a joint venture agreement for the operation of the project. The Company will be granted a 2% Net Smelter Royalty with no buyback.

On May 1, 2024, the Company, Blackwolf and Optimum agreed to terminate the option agreement (Note 10).

(xi) Delta Property

On March 1, 2016, the Company entered into an option agreement with Tudor whereby Tudor had the right to earn a 100% interest in the Company's Delta property located in the Skeena Mining Division. As of December 31, 2022, all agreements related to the Delta property were fully executed and Tudor acquired a 100% interest in the property. The Company retains an NSR of 1.5 to 2.5% in the property with no option for buyback.

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements
Three Months Ended March 31, 2024
(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xii) High North Property

On March 1, 2016, the Company entered into an option agreement with Tudor whereby Tudor had the right to earn a 100% interest in the Company's High North property located in the Skeena Mining Division. As of December 31, 2020, all agreements related to the High North property were fully executed and Tudor acquired a 100% interest in the property. The Company retains an NSR of 2.5% in the property with no option for buyback.

(xiii) Orion Claims

On June 1, 2016, the Company entered into an option agreement with Tudor whereby Tudor had the right to earn a 100% interest in the Company's Orion property located in the Skeena Mining Division. As of December 31, 2021, all agreements related to the Orion property were fully executed and Tudor acquired a 100% interest in the property. The Company retains an NSR of 2.5% in the property with no option for buyback.

(xiv) Del Norte and Midas Properties

The Company owns a 100% interest in the Del Norte Property and a 75% interest in the Midas Property. The Del Norte property consists of 23 claims. The Midas property is jointly owned with Silver Grail and consists of 7 claims.

On January 7, 2020, the Company entered into an option agreement with Decade Resources Ltd. ("Decade") whereby Decade can earn up to a 75% interest in the Del Norte property.

To earn a 55% interest in the property, Decade must do the following:

Cash consideration to be paid by Decade:

- \$20,000 to be paid on January 7, 2020 (received);
- a further \$30,000 to be paid on or before the earlier of January 7, 2021 and 30 days after the date that Decade has made the Year One Expenditures (received);
- a further \$40,000 to be paid on or before the earlier of January 7, 2022 and 30 days after the date that Decade has made the Year Two Expenditures (received);
- a further \$50,000 to be paid on or before the earlier of January 7, 2023 and 30 days after the date that Decade has made the Year Three Expenditures (received); and
- a further \$60,000 to be paid on or before the earlier of January 7, 2024 and 30 days after the date that Decade has made the Year Four Expenditures (received \$32,000 in cash and 280,000 Decade shares in lieu of the remaining balance).

Share consideration to be paid by Decade:

- 800,000 shares to be issued upon receipt of Exchange approval (received);
- a further \$30,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2021 and 30 days after the date that Decade has made the Year One Expenditures (received);

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xiv) Del Norte and Midas Properties (continued)

- a further \$40,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2022 and 30 days after the date that Decade has made the Year Two Expenditures (received);
- a further \$50,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2023 and 30 days after the date that Decade has made the Year Three Expenditures (received); and
- a further \$60,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2024 and 30 days after the date that Decade has made the Year Four Expenditures (received).

Exploration expenditures to be incurred by Decade:

- \$400,000 on or before January 7, 2021 ("Year One Expenditures") (incurred)
- a further \$500,000 on or before January 7, 2022 ("Year Two Expenditures") (incurred);
- a further \$600,000 on or before January 7, 2023 ("Year Three Expenditures") (incurred);
- a further \$1,000,000 on or before January 7, 2024 ("Year Four Expenditures") (incurred); and
- a further \$1,500,000 on or before January 7, 2025 ("Year Five Expenditures").

Decade has the right to earn an additional 20% interest by placing the property into production. The Company retains a 2% NSR.

(xv) King Tut, Tuck, and Silver Crown West Claims

On July 14, 2015 and as amended on April 21, 2016, the Company entered into an option agreement with Pretium Resources Inc. ("Pretium") whereby Pretium has the right to earn a 100% interest in the Company's King Tut, Tuck, and Silver Crown West properties located in the Skeena Mining Division. As of December 31, 2020, all agreements related to the King Tut, Tuck, and Silver Crown West properties were fully executed and Pretium acquired a 100% interest in the properties.

The Company retains an NSR of 2% with no buyback option. Under a concurrent agreement, Silver Grail is entitled to one-half of any NSR from the Silver Crown West property.

(xvi) Clone Property

On November 28, 2005, the Company and Silver Grail entered into an option agreement with Makena Resources Inc. ("Makena") whereby Makena had the right to earn a 50% interest in Silver Grail's and the Company's jointly owned Clone property, then comprised of 9 claims. An additional 10 claims were added to the property by staking in 2006.

Under the terms of the option agreement, Makena earned a 50% interest in the properties by paying a total of \$120,000 cash consideration and incurring exploration expenditures on the Clone property aggregating \$1,800,000.

On September 27, 2017 (as amended October 3, 2018), the Company and Silver Grail entered into an option agreement with Sunvest Minerals Corporation ("Sunvest"), whereby Sunvest has the right to earn the Company and Silver Grail's 50% beneficial interest in the Clone Property.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xvi) Clone Property (continued)

To earn this interest Sunvest is to issue a total of 5,000,000 of its shares, pay a total of \$200,000, and incur exploration expenditures on the property aggregating \$1,950,000.

On October 3, 2018, the Company entered into an amending agreement with Sunvest to reduce the total cash to be paid by \$25,000 and reduce the number of shares to be issued by 1,000,000.

Cash consideration to be paid equally to the Company and Silver Grail:

- \$25,000 to be paid on execution of the agreement (received);
- a further \$75,000 (\$50,000 in cash and issuance of 500,000 shares in lieu of the remaining balance) to be paid on or before September 27, 2018 (received); and
- a further \$100,000 to be paid on or before September 27, 2019 (not incurred; see below).

Shares in the common stock of Sunvest to be issued equally to the Company and Silver Grail:

- 1,500,000 shares to be issued within five business days of September 27, 2017 (received);
- a further 1,500,000 shares to be issued on or before September 27, 2018 (received); and
- a further 2,000,000 shares to be issued on or before September 27, 2019 (not incurred; see below).

Exploration expenditures to be incurred by Sunvest:

- \$350,000 on or before September 27, 2018 (incurred);
- \$600,000 on or before September 30, 2019 (not incurred; see below); and
- \$1,000,000 on or before September 30, 2020 (not incurred; see below).

The Company and Silver Grail retain an NSR of 2%, one-half of which can be repurchased for \$1,500,000.

As of November 6, 2019, Sky Gold Corp. (formerly Sunvest Minerals Corporation) will no longer pursue the option agreement to earn an interest in the Clone project entered into with Silver Grail and the Company.

On November 15, 2019, the Company entered into an agreement with Gigs Capital Corp. (who in turn, acquired its interest by assignment from Makena) to purchase a 50% interest in the Clone Property for \$200,000. The Company then owned 75% of the Clone property with the remaining 25% owned by Silver Grail. On July 1, 2023, Silver Grail elected to acquire an additional 25% of the Clone property from the Company for \$100,000. As at March 31, 2024, the Company owns 50% (December 31, 2023 – 50%) of the Clone property with the remaining 50% owned by Silver Grail.

(xvii) Konkin Silver Property

On April 20, 2004, the Company and Silver Grail purchased a 100% interest in 2 claims representing eight units situated within the boundaries of the Konkin Silver property. In fiscal 2004, the Company issued 50,000 of its shares at a fair value of \$13,750 and paid \$10,000 to the vendor for its 50% share of the claims. The vendor retains a 2% NSR, one-half of which can be purchased for \$1,000,000 until 18 months following the commencement of commercial production.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xviii) Bay Silver Claims

The Company owns a 50% interest in the Bay Silver property located in the Skeena Mining Division. Silver Grail owns the remaining 50% interest.

On August 16, 2018, the Company and Silver Grail entered into an agreement to option out their Bay Silver Property to AUX Resources Corp. (formerly Auramex Resources Corp.) ("Auramex"), whereby Auramex has the right to earn an undivided 100% ownership in the property. To earn this interest, Auramex is to issue 100,000 of its shares (Auramex effected a 1-for-5 share consolidation on June 30, 2020) and pay a total of \$120,000 as follows:

Cash consideration to be paid equally to Company and Silver Grail:

- \$10,000 to be paid on execution of the agreement (received);
- a further \$15,000 to be paid on or before July 28, 2019 (received);
- a further \$20,000 to be paid on or before July 28, 2020 (received);
- a further \$25,000 to be paid on or before July 28, 2021 (received); and
- a further \$50,000 to be paid on or before July 28, 2022 (received).

Common shares of Auramex to be issued equally to the Company and Silver Grail:

- 20,000 shares to be issued within three business days of regulatory approval for this agreement (received);
- a further 20,000 shares to be issued on or before July 28, 2019 (received);
- a further 20,000 shares to be issued on or before July 28, 2020 (received);
- a further 20,000 shares to be issued on or before July 28, 2021 (received); and
- a further 20,000 shares to be issued on or before July 28, 2022 (received).

Upon the exercise of the option, the Company and Silver Grail will retain a 2% NSR with an advance royalty payment of \$50,000 plus an additional increment payable according to inflation between 2018 and 2025 as measured by the Canadian Consumer Price Index ("CPI") first due from Auramex on June 28, 2025. The advance royalty will thereafter be payable yearly on July 28, as adjusted by the CPI. Auramex will have the right to purchase one-half of the Company's and Silver Grail's NSR at any time up to including ninety days after the commencement of commercial production on the property by paying \$1,000,000.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xix) Silver Crown Property

The Company owns a 50% interest in the Silver Crown property located in the Skeena Mining Division. Silver Grail owns the remaining 50% interest.

On March 15, 2019, the Company and Silver Grail entered into an agreement to option out their Silver Crown Property to Auramex, whereby Auramex has the right to earn an undivided 100% ownership in the property. To earn this interest, Auramex is to issue 100,000 of its shares and pay a total of \$120,000 as follows:

Cash consideration to be paid equally to Company and Silver Grail:

- \$10,000 to be paid on execution of the agreement (received);
- a further \$15,000 to be paid on or before March 15, 2020 (received);
- a further \$20,000 to be paid on or before March 15, 2021 (received);
- a further \$25,000 to be paid on or before March 15, 2022 (received); and
- a further \$50,000 to be paid on or before March 15, 2023 (received).

Common shares of Auramex to be issued equally to the Company and Silver Grail:

- 20,000 shares to be issued within three business days of regulatory approval for this agreement (received);
- a further 20,000 shares to be issued on or before March 15, 2020 (received);
- a further 20,000 shares to be issued on or before March 15, 2021 (received);
- a further 20,000 shares to be issued on or before March 15, 2022 (received); and
- a further 20,000 shares to be issued on or before March 15, 2023 (received).

(b) Roman Property, New Westminster Mining Division, British Columbia

The Company owns a 50% interest in 8 claims located in the New Westminster Mining Division. The remaining 50% interest is owned by Silver Grail.

(c) Reclamation Bonds

Reclamation bonds are amounts pledged to the province of British Columbia for property reclamation. The bonds mature and roll over each year until the Company is released from its obligations.

6. Related Party Transactions

- For the three months ended March 31, 2024, the Company incurred salary of \$45,000 (2023 - \$45,000), office, rent, and telephone expenses of \$1,200 (2023 - \$1,200) to the President of the Company.
- As at March 31, 2024, the amount of \$18,554 (December 31, 2023 - \$8,667) was owed to the President of the Company, which is non-interest bearing, unsecured and due on demand.
- The Company carries on joint exploration activity with Silver Grail, a company having directors in common with the Company. As at March 31, 2024, the Company owns 207,932 (December 31, 2023 - 207,932) common shares in Silver Grail with a fair value of \$24,952 (December 31, 2023 - \$20,793). As at March 31, 2024, the amount of \$14,080 (December 31, 2023 - \$10,600) was owed from Silver Grail, which is non-interest bearing, secured by certain mineral properties owned jointly with the Company, and due on demand.
- During the three months ended March 31, 2024, the Company incurred share-based compensation of \$nil (2023 - \$922,088) to officers and directors of the Company.

TEUTON RESOURCES CORP.

Notes to the Condensed Consolidated Financial Statements

Three Months Ended March 31, 2024

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(unaudited)

7. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares at the time of the grant. The exercise price of each option shall not be less than the market price of the Company's stock on the date of the grant. Options granted under the plan have a maximum term of 10 years and vest as determined by the board of directors, except for options granted to consultants performing investor relations activities, which vest as to 25% three months from the grant date and 25% every three months thereafter, such that the options are 100% vested 12 months after the grant date.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2023 and March 31, 2024	5,352,500	1.13

Additional information regarding stock options outstanding as at March 31, 2024 is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.225	400,000	0.3	0.23
0.50	960,000	1.1	0.50
1.17	2,050,000	3.6	1.17
1.20	1,100,000	3.8	1.20
2.06	842,500	1.7	2.06
	5,352,500	2.7	1.13

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures, and the following weighted average assumptions:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Risk-free interest rate	—	2.85%
Expected life (in years)	—	5
Expected volatility	—	87%
Share price on grant date	—	\$1.21

The total fair value of the stock options recognized during the three months ended March 31, 2024 was \$nil (2023 – \$922,088), which was recorded as share-based payment reserve and charged to operations. The weighted average grant date fair value of stock options granted during the three months ended March 31, 2024 was \$nil (2023 - \$0.84) per option.

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8. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

9. Financial Instruments and Risk Management

(a) Fair Values

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets;

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

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

Assets and liabilities measured at fair value on a recurring basis are presented on the Company's statement of financial position as of March 31, 2024 as follows:

	Fair Value Measurements Using			Balance as at March 31, 2024 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Assets:				
Cash	1,062,709	–	–	1,062,709
Marketable securities	7,775,966	35,021	–	7,810,987
Total assets measured at fair value	8,838,675	35,021	–	8,873,696

The fair values of other financial instruments, which include amounts due to and from related parties, and accounts payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and marketable securities. The Company limits its exposure to credit loss by placing its cash and marketable securities with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange risk.

TEUTON RESOURCES CORP.

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9. Financial Instruments and Risk Management (continued)**(d) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

All of the Company's financial liabilities have maturities of one year or less:

	Carrying Amount \$	Contractual Cash Flows \$	Within 1 year \$	Within 2 years \$	Within 3 years \$
<i>As at March 31, 2024</i>					
Accounts payable	43,099	(43,099)	(43,099)	—	—
Due to related party	18,554	(18,554)	(18,554)	—	—
Total	61,653	(61,653)	(61,653)	—	—

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. Subsequent Event

On May 1, 2024, the Company terminated the Harry Property option agreement with Blackwolf Copper and Gold Ltd. and Optimum Ventures Ltd. (Note 5).