ARCUS
DEVELOPMENT GROUP Inc.

CONDENSED INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2024

(Unaudited)

(These financial statements have not been reviewed by the Company’s auditor)

ARCUS DEVELOPMENT GROUP INC.

Condensed Statements of Financial Position (Unaudited, expressed in Canadian dollars)
As at

	Note	January 31, 2024	July 31, 2023
		$	$
ASSETS			
Current assets			
Cash		35,520	79,176
Amounts receivable	6	257	521
Prepaid expenses		-	1,770
		35,777	81,467
Noncurrent assets			
Exploration and evaluation property interests	4	3	3
Total assets		35,780	81,470
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade accounts payable and accrued liabilities	5	38,705	8,922
Demand loans	9	100,000	-
Total liabilities		138,705	8,922
Equity (deficiency)			
Share capital	4, 8	9,607,028	9,607,028
Share option reserve		1,076,000	1,076,000
Share compensation reserve		135,000	135,000
Other reserve		623,605	623,605
Deficit		(11,544,558)	(11,369,085)
Total (deficiency) equity		(102,925)	72,548
Total equity and liabilities		35,780	81,470
Nature of operations and going concern	1, 2		

Approved by the Board of Directors:

"Ian J. Talbot"
Director

"James Gray"
Director

ARCUS DEVELOPMENT GROUP INC.

Condensed Interim Statements of Loss and Comprehensive Loss (Unaudited, expressed in Canadian dollars)

	Note	For the three months ended January 31, 2024	For the three months ended January 31, 2023	For the six months ended January 31, 2024	For the six months ended January 31, 2023
		$	$	$	$
Expenses					
Exploration and evaluation expenditures	5	141,964	-	144,064	897
Bank charges and interest		65	68	182	160
Communications		323	180	578	360
Consultants		892	748	2,074	1,562
Insurance		-	-	10,482	10,482
Office and sundry		152	9	170	9
Professional fees		2,685	4,224	11,104	12,324
Trust and filing		4,983	7,036	6,819	7,591
Net loss and comprehensive loss for the period		151,064	12,265	175,473	33,385
Loss per share		$ 0.00	$ 0.00	$ 0.00	$ 0.00
Weighted average number of common shares outstanding		73,878,065	73,878,065	73,878,065	73,878,065

ARCUS DEVELOPMENT GROUP INC.

Condensed Interim Statements of Cash Flows (Unaudited, expressed in Canadian dollars)

	Note	For the three months ended January 31, 2024	For the three months ended January 31, 2023	For the six months ended January 31, 2024	For the six months ended January 31, 2023
		$	$	$	$
Cash provided by (used for):					
Operating activities					
Net loss for the period		(151,064)	(12,265)	(175,473)	(33,385)
Changes in non-cash working capital components:					
Amounts receivable	6	386	(654)	263	(776)
Prepaid expenses		458	201	1,770	201
Trade accounts payable	5	29,263	(3,545)	29,784	4,183
		(120,957)	(16,263)	(143,656)	(29,777)
Financing activities*					
Receipt of demand loans	9	100,000	-	100,000	-
		100,000	-	100,000	-
Net decrease in cash during the period		(20,957)	(16,263)	(43,656)	(29,777)
Cash, beginning of period		56,477	144,234	79,176	157,748
Cash, end of period		35,520	127,971	35,520	127,971

* ***Supplementary Disclosure of Non-Cash Investing and Financing Activities***

Refer to notes 4 and 8.

ARCUS DEVELOPMENT GROUP INC.

Condensed Interim Statements of Changes in Equity (Deficiency) (Unaudited, expressed in Canadian dollars)

	Common Shares		Share Option Reserve	Share Compensation Reserve	Other Reserve	Deficit	Total Equity
	Number	Amount					
		$	$	$	$	$	$
August 1, 2022	73,878,065	9,607,028	1,076,000	135,000	623,605	(11,326,074)	115,559
Loss for the period	-	-	-	-	-	(33,385)	(33,385)
January 31, 2023	73,878,065	9,607,028	1,076,000	135,000	623,605	(11,359,459)	82,174
August 1, 2023	73,878,065	9,607,028	1,076,000	135,000	623,605	(11,369,085)	72,548
Loss for the period	-	-	-	-	-	(175,473)	(175,473)
January 31, 2024	73,878,065	9,607,028	1,076,000	135,000	623,605	(11,544,558)	(102,925)

1. NATURE OF OPERATIONS

The Company was incorporated in British Columbia, Canada on June 6, 2006 and is in the business of pursuing and developing property interests that are considered to be sites of potential economic mineralization. The Company's registered office is Suite 1200 – 750 West Pender Street, Vancouver, BC.

The mineral exploration business involves, by its nature, a high degree of risk. There can be no assurance that exploration projects will result in valuable mineral discoveries or profitable mining operations. Additionally, there can be no assurance that a mining operation will achieve profitability once it commences operation.

2. GOING CONCERN

At January 31, 2024 the Company has a working capital deficiency of $102,928, no source of operating revenue and has incurred losses since inception aggregating $11,544,558. The Company will need to raise additional equity financing to meet future exploration expenditures and general working capital requirements. The Company's continued operations are dependent on its ability to raise the necessary funds through equity issues or the sales of assets. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future.

These condensed interim financial statements have been prepared assuming the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any property and the ability of the Company to continue as a going concern is dependent upon it being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of a property. In the event the Company is not able to obtain adequate funding, there is material uncertainty as to whether the Company will be able to maintain or complete the acquisition of its property interests. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve profitable operations or to obtain adequate financing.

3. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements are unaudited and have been prepared on the historical cost basis in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* ("IAS 34"), using accounting policies which are consistent with the International Financial Report Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting principles and policies utilized herein are consistent with those applicable to the annual audited financial statements; however, they lack certain disclosures that are ordinarily only reported in those annual statements. Accordingly, these statements should be read in conjunction with the Company's last annual financial statements as at and for the year ended July 31, 2023 and filed on www.sedarplus.ca.

The condensed interim financial statements for the three month period ended January 31, 2024 were approved and authorized for issue by the Audit Committee on April 1, 2024.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's condensed interim financial statements in conformity with IAS 34 requires management to make judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these expectations. Revisions to any accounting estimates are recognized in the period in which the estimates are revised and in any future

For the six months ended January 31, 2024 (Unaudited, expressed in Canadian dollars)

3. BASIS OF PRESENTATION *(continued)*

periods affected. These condensed interim financial statements do not include all of the information required for full annual financial statements.

There were no specific material judgments or estimates applicable to these current interim financial statements.

4. EXPLORATION AND EVALUATION PROPERTY INTERESTS

Schedule of cumulative exploration and evaluation property costs

	Six months ended January 31, 2023	Six months ended January 31, 2024	Balance, July 31, 2023	Balance, January 31, 2024
	$	$	$	$
Dawson Gold Project, Yukon				
Acquisition	-	-	2,072,873	2,072,873
Staking fees	-	102,451	232,599	335,050
Exploration costs				
Airborne geophysical survey	-	-	576,617	576,617
Assays	-	-	408,564	408,564
Camp food & accommodation	-	-	182,722	182,722
Consultant’s fees	897	41,613	435,253	476,866
Drilling	-	-	937,373	937,373
Equipment rental	-	-	346,217	346,217
Field personnel	-	-	687,327	687,327
Fixed wing & fuel	-	-	214,615	214,615
Helicopter & fuel	-	-	746,261	746,261
Claim maintenance costs	-	-	120,379	120,379
Management fees	-	-	80,013	80,013
Transport	-	-	37,046	37,046
Travel	-	-	35,383	35,383
Other field expenses	-	-	28,600	28,600
Yukon Mining Incentive Program rebate	-	-	(37,500)	(37,500)
Exploration and evaluation property costs	897	144,064	7,104,342	7,248,406

Dawson Gold Project, Yukon

The Company was previously a 50/50 joint venture partner of ATAC Resources Ltd. (“ATAC”), a former public company which traded on the TSX Venture Exchange, in respect to this project, which originally comprised four separate exploration properties: Touleary, Dan Man, Green Gulch and Shamrock.

Pursuant to a property purchase agreement dated August 2, 2016, the Company acquired ATAC’s 50% joint venture interest in the Dawson Gold Project in consideration for the issue of 10,869,910 common shares and 5,000,000 share purchase warrants, and the granting of a 1% net smelter return (“NSR”) royalty interest in any future production from any of the four Dawson properties. Each share purchase warrant entitled ATAC to purchase one common share of the Company at a price of $0.20 until August 19, 2021, although none of these warrants were exercised.

In July 2023 ATAC became a wholly-owned subsidiary of Hecla Mining Company.