GOLDSHORE RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023
(Unaudited)

In Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of Goldshore Resources Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity’s auditor.

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Financial Position
(in Canadian Dollars - unaudited)
As at,

	March 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	$ 4,553,606	$ 5,269,421
Amounts receivable (Note 5)	141,493	149,948
Prepaid expenses and deposits	63,527	89,451
	4,758,626	**5,508,820**
Exploration and evaluation assets (Note 6)	89,634,555	89,046,844
Right-of-use assets and equipment (Note 7)	245,580	264,242
Long-term deposits	547	547
TOTAL ASSETS	**$ 94,639,308**	**$ 94,820,453**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8 and 12)	$ 504,900	$ 414,229
Current portion of lease liabilities (Note 9)	72,213	73,301
Current portion of flow-through premium liability (Note 10)	198,834	257,047
	775,947	**744,577**
Non-current portion of lease liabilities (Note 9)	179,322	193,688
Deferred income tax liability	11,890,000	11,780,000
TOTAL LIABILITIES	**12,845,269**	**12,718,265**
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	90,327,072	90,327,072
Obligation to issue shares (Note 6)	7,500,000	7,500,000
Reserve (Note 11)	7,775,602	7,373,377
Accumulated deficit	(23,808,635)	(23,098,261)
TOTAL SHAREHOLDERS' EQUITY	**81,794,039**	**82,102,188**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 94,639,308**	**$ 94,820,453**

Nature and continuance of operations and going concern (Note 1)
Subsequent events (Note 16)

These financial statements were authorized for issue by the Board of Directors on May 28, 2024. They are signed on behalf of the Board of Directors by:

"Brett Richards"	*"Joanna Pearson"*
CEO and Director	Director

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

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(in Canadian Dollars - unaudited)

	Three months ended	
	March 31, 2024	**March 31, 2023**
EXPENSES		
Amortization expense (Note 7)	$ 18,662	$ 27,067
Consulting fees (Note 12)	85,500	270,139
General and administrative costs	76,995	148,795
Professional fees	47,871	75,418
Regulatory and transfer agent fees	25,543	13,528
Shareholder information and investor relations	53,087	378,744
Stock-based compensation expense (Notes 11 and 12)	469,330	396,759
Travel	8,949	5,803
	$ 785,937	$ 1,316,253
OTHER ITEMS		
Interest expense (Note 9)	2,696	16
Interest and other income	(62,941)	(477)
Recovery of flow-through premium (Note 10)	(58,213)	(317,468)
LOSS BEFORE INCOME TAXES	$ 667,479	$ 998,324
Deferred income tax expense	110,000	357,000
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	$ 777,479	$ 1,355,324
Basic and diluted loss per share for the period	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	259,667,918	167,851,703

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

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(in Canadian Dollars - unaudited)

	Share Capital					
	Number of shares	Amount	Obligation to issue shares	Reserve	Accumulated deficit	Total
Balance, December 31, 2022	**167,851,703**	**$ 73,065,046**	**$ 15,000,000**	**$ 6,609,645**	**$ (19,891,770)**	**$ 74,782,921**
Share issuance costs	-	(577)	-	-	-	(577)
Fair value of expired options (Note 11)	-	-	-	(17,697)	17,697	-
Stock-based compensation (Note 11)	-	-	-	396,759	-	396,759
Loss and comprehensive loss for the period	-	-	-	-	(1,355,324)	(1,355,324)
Balance, March 31, 2023	**167,851,703**	**74,064,469**	**15,000,000**	**6,988,707**	**(21,229,397)**	**73,823,779**
Balance, December 31, 2023	**259,667,918**	**90,327,072**	**7,500,000**	**7,373,377**	**(23,098,261)**	**82,102,188**
Fair value of expired options (Note 11)	-	-	-	(67,105)	67,105	-
Stock-based compensation (Note 11)	-	-	-	469,330	-	469,330
Loss and comprehensive loss for the period	-	-	-	-	(777,479)	(777,479)
Balance, March 31, 2024	**259,667,918**	**$ 90,327,072**	**$ 7,500,000**	**$ 7,775,602**	**$ (23,808,635)**	**$ 81,794,039**

GOLDSHORE RESOURCES INC.
Condensed Consolidated Interim Statements of Cash Flows
(in Canadian Dollars - unaudited)

	Three months ended	
	March 31, 2024	**March 31, 2023**
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Loss for the period	$ (777,479)	$ (1,355,324)
Non-cash items:		
Amortization and interest expense	21,358	27,083
Stock-based compensation expense	469,330	396,759
Recovery of flow-through premium	(58,213)	(317,468)
Deferred income tax expense	110,000	357,000
Changes in non-cash working capital items:		
Amounts receivable and prepaid expenses	34,379	658,307
Accounts payable and accrued liabilities	20,296	19,723
Cash flows used in operating activities	(180,329)	(213,920)
INVESTING ACTIVITIES		
Mineral property acquisition, exploration and long-term deposits	(517,336)	(2,524,410)
Cash flows used in investing activities	(517,336)	(2,524,410)
FINANCING ACTIVITIES		
Repayment of lease obligations	(18,150)	(23,758)
Cash flows used in financing activities	(18,150)	(23,758)
Change in cash and cash equivalents	(715,815)	(2,762,088)
Cash and cash equivalents, beginning of period	5,269,421	3,999,652
Cash and cash equivalents, end of period	$ 4,553,606	$ 1,237,564
Supplemental cash flow information:		
Exploration and evaluation asset costs in accounts payable and accrued liabilities	$ 422,338	$ 1,461,786
Movement in flow-through premium liability	(58,213)	(317,468)
Interest and taxes paid	-	-
Interest received	62,791	477

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

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Goldshore Resources Inc. (the "Company") is a gold focused Canadian exploration company. The Company's head office is located at 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and its registered and records office is at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company is a mineral exploration company focused on the acquisition and evaluation of precious metal mineral properties in Canada, and currently holds title to the Moss Gold Project and Hillcrest Project, and an option to earn into the Vanguard Project, located in Ontario, Canada.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. As at March 31, 2024, the Company's current assets exceeded its current liabilities by $3,982,679 and the Company had an accumulated deficit of $23,808,635. The Company's ability to continue as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet future obligations until such a time as the Company is profitable. The business of mining and exploration involves a high degree of risk and there can be no assurance that management's plans will be successful. The Company currently is not generating any revenue. Whether and when the Company can obtain profitability and positive cash flows from its operations is uncertain. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. These condensed consolidated interim 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. Such adjustments could be material. The Company has adjusted its planned activities, such that it expects to have sufficient cash flow for the next twelve months.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of IFRS Interpretations Committee ("IFRIC").

Basis of Preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Moss Lake Project Inc. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Change in Year End

The Company changed its fiscal year end from March 31 to December 31 in the prior year in order to better align the Company's financial disclosure with other reporting issuers and with its internal operational processes. The Company's transition period was the nine-month period ended December 31, 2023. The comparative period is the three-month period ended March 31, 2023.

Presentation and functional currency

The presentation and functional currency of the Company and its subsidiary is the Canadian dollar. All amounts in these condensed consolidated interim financial statements are expressed in Canadian dollars, unless otherwise indicated.

<u>Significant accounting judgments</u>

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(in Canadian Dollars - unaudited)

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and 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.

Impairment of long-lived assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

Key sources of estimation uncertainty

Valuation of stock-based compensation and compensation options

The Company uses the Black-Scholes option pricing model for the valuation of stock-based compensation and compensation options. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, forfeiture rate, risk-free market interest rate, expected volatility in the price of the underlying stock and expected life of the instruments. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Flow-Through premium liability

Pursuant to the terms of the flow-through share agreements, flow-through shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through shares into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon qualifying exploration expenditures being incurred, the Company derecognizes the liability on a pro-rata basis and recognizes a recovery for the amount of tax reduction renounced to the shareholders.

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the nine-month period ended December 31, 2023, and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

4. CASH AND CASH EQUIVALENTS

At March 31, 2024 and December 31, 2023, the Company's cash and cash equivalents were comprised of the following:

		March 31, 2024		December 31, 2023
Cash held in bank accounts	**$**	**212,389**	$	227,574
Cash equivalents		**3,431,217**		5,041,847
Total	**$**	**4,553,606**	$	5,269,421

Cash equivalents are held in cashable guaranteed investment certificates with an interest rate of 5.20% - 5.45%.

(in Canadian Dollars - unaudited)

5. AMOUNTS RECEIVABLE

The Company's amounts receivable is comprised of the following:

		March 31, 2024		December 31, 2023
GST receivable	**$**	**30,415**	$	39,019
Other receivables (Note 12)		**111,078**		110,929
Total	**$**	**141,493**	$	149,948

6. EXPLORATION AND EVALUATION ASSETS

		Moss Gold Project		**Other Projects**	**Total**
Acquisition costs					
Balance, March 31, 2023	$	52,055,250	$	91,000	$ 52,146,250
Additions		-		83,000	83,000
Balance, December 31, 2023	$	52,055,250	$	174,000	$ 52,229,250
Additions		-		-	-
Balance, March 31, 2024	$	52,055,250	$	174,000	$ 52,229,250
Exploration and evaluation costs					
Balance, March 31, 2023	$	33,047,869	$	229,053	$ 33,276,922
Camp costs		202,417		-	202,417
Consulting and salaries		2,119,827		-	2,119,827
Technical studies		791,853		-	791,853
Database management		6,393		-	6,393
Drilling		75,697		-	75,697
Geochemistry and geophysics		34,793		-	34,793
Other costs		303,133		6,559	309,692
Balance, December 31, 2023	$	36,581,982	$	235,612	$ 36,817,594
Camp costs		28,844		-	28,844
Consulting and salaries (1)		364,437		60,384	424,821
Geochemistry and geophysics (1)		41,229		(8,912)	32,317
Other costs (1)		88,290		13,439	101,729
Balance, March 31, 2024	$	37,104,782	$	300,523	$ 37,405,305
Total, December 31, 2023	**$**	**88,637,232**	**$**	**409,612**	**$ 89,046,844**
Total, March 31, 2024	**$**	**89,160,032**	**$**	**474,523**	**$ 89,634,555**

(1) During the three-months ended March 31, 2024, the Company allocated certain payroll, geophysics and other overhead costs between the Moss Gold Project and the Vanguard Project pursuant to the terms of the option agreement with Thunder Gold Corp.

Moss Gold Project

On January 25, 2021, the Company entered into a purchase agreement with Moss Lake Gold Mines Ltd. and Wesdome Gold Mines Ltd. ("Wesdome") to acquire a 100% interest in the Moss Gold project located in Ontario, Canada (the "Transaction"). The Transaction closed on June 4, 2021 ("Closing"). In exchange for a 100% interest in the project, the Company will:

- Pay $12,500,000 cash to Wesdome upon closing (paid);
- Issue common shares with a fair value equal to the greater of a) $19,500,000 and b) 30% of the issued and outstanding common shares of the Company to Wesdome at closing (issued 30,085,000 common shares);
- Issue $20,000,000 in common shares to Wesdome in the form of milestone payments consisting of:
    - $5,000,000 within 12 months of Closing (issued 8,333,333 common shares on June 6, 2022);
    - $7,500,000 upon the earlier of (i) the Company completing an updated Preliminary Economic Assessment ("PEA") or pre-feasibility study; and (ii) 30 months from Closing (issued 12,500,000 common shares on December 4, 2023); and
    - $7,500,000 upon the earlier of (i) the Company completing a feasibility study, (ii) the date on which the Company makes a development decision on the Moss Gold Project, and (iii) June 4, 2025 (48 months from Closing).
- Grant to Wesdome a 1.00% net smelter royalty ("NSR") on all metal production from the Moss Gold Project. The Company has the right to repurchase the NSR for $7,500,000 between December 4, 2023 and June 4, 2025 (30 and 48 months after Closing). The Company did not exercise its NSR repurchase right by December 4, 2023. The NSR buyback shall expire if not exercised by June 4, 2025.
- Grant Wesdome the option of representation on the Company's Board of Directors with two appointees relative to Wesdome's total share ownership of the Company (completed). This nomination right lapsed during the three months ended March 31, 2024.

The number of common shares issued to satisfy the remaining milestone payment of $7,500,000 noted above is calculated at the greater of (i) $0.60 per share, and (ii) the volume-weighted average share price for the 20 days prior to the date of issuance.

The Moss Gold Project carries an underlying advanced royalty commitment amounting to $6,250 due quarterly until the project enters production, which was inherited from Wesdome at the time of acquisition, presented as other costs in the table above.

Other Projects

<u>Vanguard Project</u>

On July 5, 2022, and amended on May 29, 2023, the Company executed an option agreement with Thunder Gold Corp. ("Thunder Gold") to earn in to certain mining claims held by Thunder Gold in the Shebandowan greenstone belt known as the Vanguard Project (the "Vanguard Project"). The effective date of the agreement was July 28, 2022 (the "Effective Date"). Key terms of the option agreement are as follows:

1. Total cash payments (CAD$) of an aggregate of $110,000 to Thunder Gold over 3 years, to be paid as follows:
    a. $10,000 within five days of July 28, 2022 (paid);
    b. an additional $20,000 on or before July 28, 2023, the 12-month anniversary of the Effective Date (paid on July 14, 2023);
    c. an additional $30,000 on or before July 28, 2024, the 24-month anniversary of the Effective Date; and
    d. an additional $50,000 on or before July 28, 2025, the 36-month anniversary of the Effective Date.

2. Total share issuance of an aggregate of 1,500,000 common shares of the Company (each, a "Share") (such Shares to be subject to resale restrictions) as follows:
    a. 300,000 Shares within five days of the Effective Date (issued on August 2, 2022 at fair value of $81,000);
    b. An additional 300,000 Shares on or before July 28, 2023, the 12-month anniversary of the Effective Date (issued on July 28, 2023 at a fair value of $43,500);
    c. an additional 400,000 Shares on or before July 28, 2024, the 24-month anniversary of the Effective Date; and
    d. an additional 500,000 Shares on or before July 28, 2025, the 36-month anniversary of the Effective Date.

3. Total incurred expenditures on the Vanguard Project of not less than $1,650,000 over 3 years as follows:
    a. $100,000 on or before January 28, 2023, the six-month anniversary of the Effective Date (completed);
    b. an additional $120,000 on or before July 28, 2023, the 12-month anniversary of the Effective Date (completed);
    c. an additional $680,000 on or before July 28, 2024, the 24-month anniversary of the Effective Date; and
    d. an additional $750,000 on or before July 28, 2025, the 36-month anniversary of the Effective Date.

4. Other non-material administrative and technical matters guiding the earn in relationship between the Company and Thunder Gold.

Subsequent to March 31, 2024, the Company amended the terms of the option agreement with Thunder Gold (Note 16).

(in Canadian Dollars - unaudited)

Hillcrest Project

On May 8, 2023, the Company staked various claims located in the Quetico subprovince of Ontario, which comprise the Hillcrest Project for acquisition costs of $19,500.

7. RIGHT-OF-USE ASSETS AND EQUIPMENT

A continuity of the Company's right-of-use assets and equipment is as follows:

Cost		**Right-of-use assets (vehicles)**		**Equipment**		**Total**
Balance, March 31, 2023	$	468,181	$	33,256	$	501,437
Additions		-		-		-
Balance, December 31, 2023	$	468,181	$	33,256	$	501,437
Additions		-		-		-
Balance, March 31, 2024	**$**	**468,181**	**$**	**33,256**	**$**	**501,437**
Accumulated amortization						
Balance, March 31, 2023	$	157,698	$	17,089	$	174,787
Additions		54,094		8,314		62,408
Balance, December 31, 2023	$	211,792	$	25,403	$	237,195
Additions		15,891		2,771		18,662
Balance, March 31, 2024	**$**	**227,683**	**$**	**28,174**	**$**	**255,587**
Net book value						
Balance, December 31, 2023	$	256,389	$	7,853	$	264,242
Balance, March 31, 2024	**$**	**240,498**	**$**	**5,082**	**$**	**245,580**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are comprised of the following:

		March 31, 2024		December 31, 2023
Accounts payable	**$**	**257,259**	$	270,531
Accrued liabilities		**247,641**		143,698
Total	**$**	**504,900**	$	414,229

9. LEASES

The Company leases vehicles. At acquisition, the leased assets and liabilities were measured at the present value of the lease payments plus the anticipated exercise of renewal options, discounted using the rate implicit in the leases, which was determined to be 8% on a weighted average basis.

The Company's lease liabilities are as follows:

		March 31, 2024		December 31, 2023
Current portion of lease obligations	**$**	**72,213**	$	73,301
Non-current portion of lease obligations		**179,322**		193,688
Total	**$**	**251,535**	$	266,989

(in Canadian Dollars - unaudited)

The lease liability interest expense recognized in loss and lease payments recognized in the financing component of statement of cash flows is as follows:

Balance, March 31, 2023	$	319,784
Interest expense		14,774
Payments		(67,569)
Balance, December 31, 2023	$	266,989
Interest expense		2,696
Payments		(18,150)
Balance, March 31, 2024	**$**	**251,535**

As at March 31, 2024, the Company is committed to minimum lease payments as follows:

		March 31, 2024
Less than one year	$	72,303
One to five years		194,602
More than five years		10,236
Total undiscounted lease liabilities	**$**	**277,141**

During the three months ended March 31, 2024, the Company expensed $11,400 under the short-term exemption of IFRS 16 (2023 - $nil). The Company did not designate any leases as low-value.

10. FLOW-THROUGH PREMIUM LIABILITY

The following is a continuity of the Company's flow-through premium liability:

		Flow-through premium liability
Balance, March 31, 2023	$	155,437
Additions		526,761
Recovery of flow-through premium		(425,151)
Balance, December 31, 2023	$	257,047
Recovery of flow-through premium		(58,213)
Balance, March 31, 2024	**$**	**198,834**

During the three months ended March 31, 2024, the Company recorded a recovery of the flow-through premium of $58,213 (2023 - $317,468) based on eligible flow-through exploration expenditures incurred.

As at March 31, 2024, the Company has a remaining obligation to spend $1,550,905 on eligible exploration expenditures by December 31, 2024 (December 31, 2023 - $2,004,963 by December 31, 2024).

11. SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At March 31, 2024, there were 259,667,918 issued and fully paid common shares (December 31, 2023 – 259,667,918). At March 31, 2024, there were 20,843,434 (December 31, 2023 – 20,843,434) shares held in escrow, all of which will be released on June 4, 2024.

Three months ended March 31, 2024:

There were no common shares issued in the three months ended March 31, 2024.

Three months ended March 31, 2023:

There were no common shares issued in the three months ended March 31, 2023.

(in Canadian Dollars - unaudited)

The Company adopted an Omnibus Incentive Plan on November 3, 2022 (the "Plan"), approved by shareholders at the Company's annual general meeting on January 23, 2024. Under the Plan, the Company may grant its directors, officers, employees and consultants stock options, restricted share units, and deferred share units (together the "Share Based Compensation") of the Company and which reserves up to 10% of its outstanding shares as Share Based Compensation. The exercise price shall not be less than the market value ("Market Value") of the common shares of the Company as of the grant date. Market Value will be the closing trading price of the common shares on the day immediately preceding the grant date, and may be less than this price if it is within the discounts permitted by the applicable regulatory authorities including the TSX Venture Exchange. The expiry date of an option shall be determined by the Board of Directors of the Company and shall be no later than the tenth anniversary of the grant date of such option. The vesting terms and conditions of stock options are determined by the Board of Directors.

Stock options

The following is a continuity of the Company's stock options outstanding for the three months ended March 31, 2024 and the nine month period ended December 31, 2023:

		Exercise price	Number of options
Closing balance, March 31, 2023	**$**	**0.65**	**8,737,500**
Granted		0.20	7,669,333
Expired		0.65	(250,000)
Forfeited		0.51	(1,116,667)
Closing balance, December 31, 2023	**$**	**0.43**	**15,040,166**
Expired		0.60	(158,333)
Closing balance, March 31, 2024	**$**	**0.43**	**14,881,833**

During the three months ended March 31, 2024, the Company recognized $271,377 (2023 –$396,759) in stock-based compensation expense related to the vesting of stock options. During the three months ended March 31, 2024, the fair value of expired stock options of $67,105 was reclassified to deficit (2023 –$17,697).

As at March 31, 2024, the Company had outstanding options as follows:

Expiry date	Options outstanding	Options exercisable		Exercise price	Remaining contractual life (in years)
June 4, 2026	7,250,000	4,833,333	$	0.65	2.18
November 23, 2026	387,500	258,333	$	0.65	2.65
April 24, 2028	3,675,000	1,225,000	$	0.25	4.07
December 22, 2028	3,569,333	-	$	0.15	4.73

The weighted average remaining contractual life of stock options outstanding at March 31, 2024 was 3.27 years (December 31, 2023 – 3.51 years).

Restricted Share Units ("RSUs")

The following is a continuity of the Company's RSU's outstanding for the three months ended March 31, 2024 and the nine-month period ended December 31, 2023:

		Fair value	Number of RSU's
Closing balance, March 31, 2023	$	-	-
Granted		0.13	6,769,300
Closing balance, December 31, 2023 and March 31, 2024	**$**	**0.13**	**6,769,300**

(in Canadian Dollars - unaudited)

As at March 31, 2024, the Company had outstanding RSUs as follows:

Vesting date	RSU's outstanding		Fair value	Remaining contractual life (in years)
April 24, 2024	1,673,968	$	0.205	0.07
November 17, 2024	3,000,000	$	0.095	0.63
December 11, 2024	1,536,665	$	0.130	0.70
December 22, 2024	558,667	$	0.120	0.73

During the three months ended March 31, 2024, the Company recognized $197,953 (2023 - $Nil) in stock-based compensation expense related to the vesting of RSU's.

Warrants

The following is a continuity of the Company's warrants outstanding for the three months ended March 31, 2024 and the nine-month period ended December 31, 2023:

		Exercise price	Number of warrants
Closing balance, March 31, 2023	$	0.55	21,880,166
Issued	$	0.17	58,762,108
Closing balance, December 31, 2023 and March 31, 2024	**$**	**0.27**	**80,642,274**

As at March 31, 2024, the Company had outstanding warrants as follows:

Expiry date	Warrants outstanding	Warrants exercisable		Exercise price	Remaining contractual life (in years)
April 6, 2024	8,742,616	8,742,616	$	0.75	0.02
May 18, 2024	500,000	500,000	$	0.75	0.13
December 22, 2024	10,554,190	10,554,190	$	0.40	0.73
December 30, 2024	2,083,360	2,083,360	$	0.40	0.75
April 13, 2025	18,744,822	18,744,822	$	0.25	1.04
May 16, 2025	1,509,286	1,509,286	$	0.25	1.18
November 17, 2025	38,508,000	38,508,000	$	0.13	2.63

The weighted average remaining contractual life of warrants outstanding at March 31, 2024 was 1.64 years (December 31, 2023 – 1.89 years).

Compensation options

The following is a continuity of the Company's compensation options outstanding for the three months ended March 31, 2024 and the nine-month period ended December 31, 2023:

		Exercise price	Number of options
Closing balance, March 31, 2023	$	0.65	3,920,654
Granted		0.17	2,076,617
Expired		0.68	(2,916,839)
Closing balance, December 31, 2023 and March 31, 2024	**$**	**0.30**	**3,080,432**

As at March 31, 2024, the Company had outstanding compensation options as follows:

Expiry date	Compensation options outstanding	Compensation options exercisable		Exercise price	Remaining contractual life (in years)
April 6, 2024	345,341	345,341	$	0.50	0.02
April 6, 2024	573,967	573,967	$	0.60	0.02
April 6, 2024	84,507	84,507	$	0.71	0.02
April 13, 2025	2,076,617	2,076,617	$	0.17	1.04

The weighted average remaining contractual life of compensation options outstanding at March 31, 2024 was 0.70 years (December 31, 2023 – 0.95 years).

(in Canadian Dollars - unaudited)

12. RELATED PARTIES

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

During the three months ended March 31, 2024 and 2032, compensation of key management personnel, including directors, was as follows:

	Three Months Ended	
	March 31,2024	**March 31,2023**
Salaries, management fees and other employee benefits (1)	$ 125,500	$ 213,333
Stock-based compensation	371,126	633,591
Total	$ 496,626	$ 846,924

(1) The three-month figures include $55,500 recorded in consulting fees and $70,000 capitalized to exploration and evaluation assets (2023 - $143,333 and $70,000, respectively).

As at March 31, 2024, the Company owed a total of $28,822 to key management personnel in respect of services provided to the Company (December 31, 2023 - $25,314) and $12,611 in respect of expenses incurred on behalf of the Company (December 31, 2023 - $1,227).

On June 14, 2022, the Company advanced $60,000 to Peter Flindell, VP Exploration, which is included in other receivables. The advance earns simple interest at the Canada Revenue Agency prescribed annual interest rate of 1% and is repayable within twelve months. On April 24, 2023, the due date was extended to June 14, 2024.

The Company does not have offices or direct personnel in British Columbia, but rather is party to an Administration Services Agreement, whereby it has contracted administrative, corporate and financial reporting services with Sentinel Corporate Services Inc. ("Sentinel"), a company controlled by a close family member of the CFO, which are included in general and administrative costs. Sentinel has a continuing service agreement with the Company.

During the three months ended March 31, 2024, the Company incurred expenses with Sentinel for administration, corporate and financial reporting services of $28,500 (March 31, 2023 - $28,025). As at March 31, 2024, there was $Nil (December 31, 2023 - $Nil) owing to Sentinel for services and $Nil owing to Sentinel in respect of expenses incurred on behalf of the Company (December 31, 2023 - $1,156).

All transactions are incurred in the normal course of business and are negotiated on terms between the parties which are believed to represent fair market value for all services rendered. Any amounts due to related parties arising from the above transactions are unsecured, non-interest bearing and are due upon receipt of invoices.

13. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	March 31, 2024	**December 31, 2023**
Financial assets:		
Fair value through profit or loss		
Cash and cash equivalents	$ 4,553,606	$ 5,269,421
Amortized cost		
Amounts receivable	$ 141,493	$ 149,948
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 504,900	$ 414,229
Lease liabilities	$ 251,535	$ 266,989

Amounts receivable and accounts payable and accrued liabilities include amounts due to and due from related parties (Note 12).
The fair values of the Company's cash and cash equivalents are carried at fair value in accordance with level 1 of the fair

value hierarchy. The Company's amounts receivable and accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

b) Management of financial risks

The Company's risk exposures arising from financial instruments are consistent with those discussed in the consolidated financial statements for the nine-month period ended December 31, 2023, with the exception of:

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company has aimed to manage liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At March 31, 2024, the Company had cash and cash equivalents of $4,553,606 and accounts payable and accrued liabilities of $504,900 with contractual maturities of less than one year. The Company's ability to continue as a going concern is dependent on management's ability to raise financing until such time that the Company is profitable. The Company manages its liquidity risk by forecasting cash flows from operations and investing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. At March 31, 2024, the Company assessed its liquidity risk as moderate.

14. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the three months ended March 31, 2024.

15. SEGMENT DISCLOSURES

The Company operates in a single operating segment in the geographic location of Canada, the exploration for and evaluation of mineral property interests. All of the Company's long-term assets are located in Canada.

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2024, 9,242,616 warrants and 1,003,815 compensation options expired unexercised. The warrants had an exercise price of $0.75 and the compensation options had a weighted average exercise price of $0.57.

On April 8, 2024, 500,000 warrants were exercised at an exercise price of $0.13 for gross proceeds of $65,000.

On April 30, 2024, 1,290,472 shares were issued and $55,607 cash paid pursuant to the vesting of 1,673,968 RSUs.

On May 21, 2024, the Company amended its option agreement with Thunder Gold to earn into the Vanguard Project. Pursuant to the amendment, the Company and Thunder Gold agreed to the following amended expenditure commitment, with no changes to the cash and share payments (Note 6):

Total incurred expenditures on the Vanguard Project of not less than $1,650,000 over 3 years as follows:

a. $100,000 on or before January 28, 2023, the six-month anniversary of the Effective Date (completed);
b. an additional $120,000 on or before July 28, 2023, the 12-month anniversary of the Effective Date (completed);
c. an additional $80,000 on or before July 28, 2024, the 24-month anniversary of the Effective Date (completed); and
d. an additional $1,350,000 on or before July 28, 2025, the 36-month anniversary of the Effective Date.

On May 28, 2024, the Company granted 2,250,000 stock options and 600,000 RSUs to an officer of the Company. The stock options are exercisable at a price of $0.225 per common share (closing price on May 27, 2024) for a period of 5 years and vest 1/3 on November 28, 2024, 1/3 on November 28, 2025, and 1/3 on November 28, 2026.