RACKLA METALS INC

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim financial statements for the three months ended March 31, 2024. These condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

RACKLA METALS INC.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
(Expressed in Canadian Dollars)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets		
Cash (Note 4)	$ 724,067	$ 1,181,671
Equity investments (Note 5)	1,501	1,501
Taxes receivable	15,034	189,094
Prepaid expenses and deposits (Note 13)	174,500	257,666
	915,102	1,629,932
Non-current assets		
Deposits (Note 13)	101,000	101,000
Equipment (Note 6)	25,064	30,515
Exploration and evaluation assets (Note 7)	962,972	962,972
	1,089,036	1,094,487
TOTAL ASSETS	**$ 2,004,138**	**$ 2,724,419**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 61,860	$ 356,375
Due to related parties (Note 13)	50,676	47,863
Current portion of lease liability (Note 9)	18,432	17,958
Other liability (Note 10)	56,300	71,649
	187,268	493,845
Non-current liability		
Lease liability (Note 9)	1,625	6,416
Total liabilities	188,893	500,261
Shareholders' equity		
Share capital (Note 11)	16,237,918	16,237,918
Other equity reserves (Note 11)	1,001,767	989,119
Accumulated other comprehensive loss	(58,249)	(58,249)
Deficit	(15,366,191)	(14,944,630)
Total shareholders' equity	1,815,245	2,224,158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 2,004,138**	**$ 2,724,419**

APPROVED BY THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON MAY 27, 2024:

"Simon Ridgway"
Simon Ridgway, Director

"William Katzin"
William Katzin, Director

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

RACKLA METALS INC.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2024	2023
EXPLORATION EXPENDITURES (Notes 8 and 13)	$ 178,198	$ 104,231
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	5,451	112
Consulting fees	25,000	-
Interest expense on lease liability (Note 9)	600	-
Legal and audit fees	1,118	6,177
Management fees (Note 13)	10,500	13,200
Office and administrative (Note 13)	26,498	32,187
Salaries and benefits (Note 13)	52,288	54,021
Share-based payments (Notes 12 and 13)	13,691	806,319
Shareholder communications (Note 13)	113,260	72,291
Transfer agent and regulatory fees (Note 13)	8,874	10,279
Travel and accommodation (Note 13)	12,008	15,178
	269,288	1,009,764
	(447,486)	(1,113,995)
Interest income	9,533	31,380
Loss before income taxes	(437,953)	(1,082,615)
Deferred income tax recovery (Note 10)	15,349	29,856
Net loss and comprehensive loss for the period	**$ (422,604)**	**$ (1,052,759)**
Basic and diluted loss per share	$(0.01)	$(0.02)
Weighted average number of common shares outstanding	71,380,686	58,196,308

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

RACKLA METALS INC.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended March 31, 2024 and 2023

(Expressed in Canadian Dollars)

			Other equity reserves					
	Number of common shares	**Share capital**	**Share-based payments**	**Share purchase warrants**	**Compensation options**	**Accumulated other comprehensive income (loss)**	**Deficit**	**Total**
Balance, December 31, 2022	58,196,308	$ 13,578,009	$ 46,025	$ -	$ -	$ (56,749)	$ (10,158,411)	$ 3,408,874
Net loss for the period	-	-	-	-	-	-	(1,052,759)	(1,052,759)
Share-based payments	-	-	806,319	-	-	-	-	806,319
Balance, March 31, 2023	58,196,308	13,578,009	852,344	-	-	(56,749)	(11,211,170)	3,162,434
Net loss for the period	-	-	-	-	-	-	(3,796,274)	(3,796,274)
Shares issued on private placements	10,569,000	2,536,560	-	105,690	-	-	-	2,642,250
Shares issued for property acquisition	2,610,378	584,500	-	-	-	-	-	584,500
Options exercised	5,000	500	-	-	-	-	-	500
Share issuance costs	-	(462,173)	-	-	94,421	-	-	(367,752)
Transfer of other equity reserve on exercise of options	-	522	(522)	-	-	-	-	-
Fair value of forfeited options	-	-	(62,814)	-	-	-	62,814	-
Fair value loss on equity investments	-	-	-	-	-	(1,500)	-	(1,500)
Balance, December 31, 2023	71,380,686	16,237,918	789,008	105,690	94,421	(58,249)	(14,944,630)	2,224,158
Net loss for the period	-	-	-	-	-	-	(422,604)	(422,604)
Fair value of forfeited options	-	-	(1043)	-	-	-	1,043	-
Share-based payments	-	-	13,691	-	-	-	-	13,691
Balance, March 31, 2024	**71,380,686**	**$ 16,237,918**	**$ 801,656**	**$ 105,690**	**$ 94,421**	**$ (58,249)**	**$ (15,366,191)**	**$ 1,815,245**

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

RACKLA METALS INC.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
(Expressed in Canadian Dollars)

	Three months ended March 31, 2024	2023
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	$ (422,604)	$ (1,052,759)
Items not involving cash:		
Amortization	5,451	112
Deferred income tax recovery	(15,349)	(29,856)
Share-based payments	13,691	806,319
	(418,811)	(276,184)
Changes in non-cash working capital items:		
Taxes receivable	174,060	(18,657)
Prepaid expenses	83,166	(223,475)
Accounts payable and accrued liabilities	(294,515)	(55,374)
Due to related parties	2,813	(74,393)
	(453,287)	(648,083)
FINANCING ACTIVITY		
Repayment of lease obligation (net)	(4,317)	-
	(4,317)	-
INVESTING ACTIVITY		
Purchase of equipment	-	(2,996)
Acquisition of exploration and evaluation assets	-	(36,534)
	-	(39,530)
Decrease in cash	(457,604)	(687,613)
Cash, beginning of period	1,181,671	4,427,903
Cash, end of period	**$ 724,067**	**$ 3,740,290**

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

1. CORPORATE INFORMATION

Rackla Metals Inc. (the "Company") is pursuing opportunities related to exploration of mineral resource properties. The Company was incorporated in the Province of British Columbia on September 20, 2011, and its common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol RAK.

The address of the Company's corporate office and principal place of business is Suite 650, 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

2. BASIS OF PREPARATION

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. These condensed interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim financial statements have been prepared on the historical cost basis, except for certain financial instruments carried at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in Note 3.

Ability to Continue as a Going Concern

These condensed interim financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At March 31, 2024, the Company has not yet achieved profitable operations, has an accumulated deficit of $15,366,191 (December 31, 2023: $14,944,630) since inception, and is expected to incur further losses in the development of its business, all of which raise significant doubt about its ability to continue as a going concern. The Company will periodically have to raise additional financing in order to acquire and conduct work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due (Note 17). While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

ii) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

   Assets or CGUs are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

   In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized may not be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including access to financing to further exploration and development, geologic and metallurgic information, economics assessment/studies, accessible facilities, and existing permits.

iii) Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommissioning liabilities present.

iv) The Company applies judgment in determining whether a lease contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

v) The Company applies judgment in determining exploration costs that qualify as flow-through eligible Canadian exploration expenditures.

vi) The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its operating expenditures, meet its liabilities for the subsequent year, and to fund planned contractual exploration programs, involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key estimate applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

i) Option pricing models require the input of highly subjective assumptions, including the expected price volatility and options expected life. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

(Expressed in Canadian Dollars)

4. CASH

Cash at banks is held in interest-bearing and non-interest-bearing accounts. As at March 31, 2024, the Company's cash in hand totaled $724,067 (December 31, 2023: $1,181,671), of which $493,956 (December 31, 2023: $628,004) is reserved for flow-through eligible activities during the 2024 fiscal year (Note 10).

5. EQUITY INVESTMENTS

As of March 31, 2024, equity investments consisted of 75,000 common shares of Damara Gold Corp. ("Damara"), a public company, and 200,000 common shares of Voyager Gold Corp. ("Voyager"), a private company with a common director. The private company shares were initially measured at fair value and subsequently written down to $1.

As at March 31, 2024, the carrying amount for the equity investments was $1,501 (December 31, 2023: $1,501).

During the periods ended March 31, 2024 and 2023, there was no change in fair value of the Damara shares. This amount was recorded as a fair value loss in other comprehensive loss.

	Damara	Voyager	Total
Balance, December 31, 2022	$ 3,000	$ 1	$ 3,001
Change in fair value	(1,500)	-	(1,500)
Balance, December 31, 2023	1,500	1	1,501
Balance, March 31, 2024	**$ 1,500**	**$ 1**	**$ 1,501**

6. EQUIPMENT

	Computer equipment	Right-of-use asset (Note 9)	Total
Cost			
Balance, December 31, 2022	$ -	$ -	$ -
Additions	2,996	41,982	44,978
Balance, December 31, 2023	2,996	41,982	44,978
Balance, March 31, 2024	**$ 2,996**	**$ 41,982**	**$ 44,978**
Accumulated amortization			
Balance, December 31, 2022	$ -	$ -	$ -
Charge for the year	449	14,014	14,463
Balance, December 31, 2023	449	14,014	14,463
Charge for the period	225	5,226	5,451
Balance, March 31, 2024	**$ 674**	**$ 19,240**	**$ 19,914**
Carrying amounts			
At December 31, 2023	$ 2,547	$ 27,968	$ 30,515
At March 31, 2024	**$ 2,322**	**$ 27,742**	**$ 25,064**

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the period ended March 31, 2024:

	Tombstone Gold Belt	Gossan	Total
Balance, December 31, 2022	$ 158,598	$ -	$ 158,598
Acquisition costs - cash	292,010	16,420	308,430
Acquisition costs - shares	584,500	-	584,500
Write-off acquisition costs	(88,556)	-	(88,556)
Balance, December 31, 2023	946,552	16,420	962,972
Balance, March 31, 2024	**$ 946,552**	**$ 16,420**	**$ 962,972**

Details of the Company's mineral property interests and option agreement terms are disclosed in full in the financial statements for the year ended December 31, 2023. Significant mineral property transactions that have occurred since January 1, 2024 are as follows:

Tombstone Gold Belt Projects – Yukon and Northwest Territories, Canada

Excite Project, Yukon

During the 2023 fiscal year, the Company staked 146 claims in the Tombstone Gold Belt in the Yukon Territory and recorded acquisition costs totalling $73,092. Subsequent to March 31, 2024, the Company allowed the Excite Project claims to lapse and as a result, the acquisition costs were written-off as of December 31, 2023.

(Expressed in Canadian Dollars)

8. EXPLORATION EXPENDITURES

During the three-month period ended March 31, 2024, the Company incurred the following exploration expenditures:

	Tombstone Gold Belt Projects	Gossan, Yukon	Other	Total
Administration	$ 162	$ -	$ 49	$ 211
Assays	3,726	-	1,089	4,815
Camp expense	34,785	-	-	34,785
Community relations	1,000	-	-	1,000
Field expense	441	-	141	582
Geological fees	36,208	124	22,620	58,952
Geophysical	6,043	-	-	6,043
Licenses and taxes	10,088	918	-	11,006
Salaries and benefits	23,206	5,067	28,648	56,921
Travel	2,465	-	1,418	3,883
	$ 118,124	**$ 6,109**	**$ 53,965**	**$ 178,198**

During the three-month period ended March 31, 2023, the Company incurred the following exploration expenditures:

	Tombstone Gold Belt Projects	Gossan, Yukon	Other	Total
Administration	$ -	$ -	$ 2,324	$ 2,324
Assays	480	-	-	480
Camp expense	25,584	-	-	25,584
Field expense	2,119	-	-	2,119
Geological fees	20,308	386	6,374	27,068
Salaries and benefits	36,166	402	7,755	44,323
Travel	-	-	2,333	2,333
	$ 84,657	**$ 788**	**$ 18,786**	**$ 104,231**

(Expressed in Canadian Dollars)

9. LEASE LIABILITY

The Company has a two-year lease agreement, beginning May 1, 2023, for a vehicle used for exploration activities. In accordance with *IFRS 16 – Leases*, the Company recognized $41,982 for a ROU asset and $35,344 for a lease liability during the 2023 fiscal year (Note 6).

Lease liability recognized as of May 1, 2023	$	35,344
Lease payments		(13,114)
Lease interest		2,144
Lease liability recognized as of December 31, 2023		24,374
Lease payments		(4,918)
Lease interest		601
Lease liability recognized as of March 31, 2024	**$**	**20,057**
Current portion	$	18,432
Long-term portion		1,625
	$	**20,057**

10. OTHER LIABILITY

Other liability is the liability portion of flow-through shares issued.

Due date		**Issued on December 22, 2022**		**Issued on September 19, 2023**		**Total**
Balance at December 31, 2022	$	966,025	$	-	$	966,025
Liability incurred on flow-through shares issued		-		144,225		144,225
Settlement of flow-through share liability on incurring expenditures		(966,025)		(72,576)		(1,038,601)
Balance at December 31, 2023		-		71,649		71,649
Settlement of flow-through share liability on incurring expenditures		-		(15,349)		(15,349)
Balance at March 31, 2024	**$**	**-**	**$**	**56,300**	**$**	**56,300**

Other liabilities arise on the issuance of flow-through shares when the price of each flow-through share exceeds the price of other non-flow-through common shares issued at the same time. The flow-through share liability is settled as eligible flow-through expenditures are incurred with the offset being recorded as a deferred income tax recovery.

On September 19, 2023, the Company closed a flow-through private placement by issuing 5,769,000 common shares at a deemed price of $0.274 per share for gross flow-through proceeds of $1,580,706. The flow-through shares were issued at a premium of $144,225 over market value.

As at March 31, 2024, the Company had incurred $1,086,750 of its commitment for the September 2023 flow-through private placement, of which $967,175 has been recorded as exploration expenditures and $119,575 recorded as deposits. To fulfill the remaining commitment, $493,956 in exploration expenditures must be incurred by December 31, 2024. If the Company does not spend these funds in compliance with the Government of Canada flow-through regulations, it may be subject to indemnification or other claims by the flow-through subscribers.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES

(a) Common Shares

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

During the periods ended March 31, 2024 and 2023, there was no share capital activity.

(b) Share Purchase Warrants

The following is a summary of changes in share purchase warrants from January 1, 2023 to March 31, 2024:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	6,307,500	$0.35
Issued	10,569,000	$0.40
Balance, December 31, 2023	16,876,500	$0.38
Balance, March 31, 2024	**16,876,500**	**$0.38**

As at March 31, 2024, the following share purchase warrants were outstanding:

Expiry date	Number of warrants	Exercise price
December 22, 2024	6,307,500	$0.35
September 19, 2025	10,569,000	$0.40
	16,876,500	

(c) Compensation Options

During the 2023 fiscal year, a total of 456,140 compensation options with an exercise price of $0.25 per option and expiry date of September 19, 2025 were granted. Each compensation option is exercisable to purchase one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable to purchase one common share of the Company at $0.40 until September 19, 2025.

Compensation options outstanding as of March 31, 2024 totaled 456,140 (December 31, 2023: 456,140).

(Expressed in Canadian Dollars)

12. SHARE-BASED PAYMENTS

Option Plan Details

The Company has in place a stock option plan (the "Plan") that allows the Board of Directors to grant incentive stock options to the Company's officers, directors, employees, and consultants. The exercise price of stock options granted is determined by the Board of Directors at the time of the grant in accordance with the terms of the Plan and the policies of the TSX-V. Options vest on the date of granting unless stated otherwise. Options granted to investor relations consultants vest in accordance with TSX-V regulation. The options are for a maximum term of ten years.

Share Purchase Options

The following is a summary of changes in options for the period ended March 31, 2024:

			During the period				
Expiry date	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired / forfeited**	**Closing balance**	**Vested and exercisable**
January 9, 2025	$0.365	200,000	-	-	-	200,000	200,000
May 2, 2029	$0.10	405,000	-	-	(10,000)	395,000	395,000
May 27, 2030	$0.14	25,000	-	-	-	25,000	25,000
January 9, 2033	$0.365	2,130,000	-	-	-	2,130,000	2,130,000
March 4, 2034	$0.15	-	140,000	-	-	140,000	140,000
		2,760,000	**140,000**	**-**	**(10,000)**	**2,890,000**	**2,890,000**
Weighted average exercise price		**$0.32**	**$0.15**	**-**	**$0.10**	**$0.32**	**$0.32**

During the period ended March 31, 2024, $1,043 was transferred from reserves to deficit due to the forfeiture of options (2023: $Nil).

Fair Value of Options Issued During the Period

The weighted average fair value at grant date of options granted during the period ended March 31, 2024 was $0.10 per option (2023: $0.32 per option).

The weighted average remaining contractual life of the options outstanding at March 31, 2024 is 7.76 years (December 31, 2023: 7.89 years).

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The model inputs for options granted during the period ended March 31, 2024 included a risk-free interest rate of 3.34%, dividend yield of 0%, volatility of 100% and expected life of ten years.

(Expressed in Canadian Dollars)

12. SHARE-BASED PAYMENTS *(cont'd)*

Fair Value of Options Issued During the Period *(cont'd)*

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Expenses Arising from Share-based Payments Transactions

Total expenses arising from the share-based payment transactions related to the granting of stock options and recognized as part of share-based payments expense during the period ended March 31, 2024 was $13,691 (2023: $806,319).

As of March 31, 2024, there were no unrecognized costs related to share-based payment awards not yet exercisable.

13. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended March 31, 2024 and 2023 with related parties consisting of directors, officers and the following companies with common directors:

Related party	Nature of transactions
Gold Group Management Inc. ("Gold Group")	Shared office and administrative related charges
Radius Gold Inc. ("Radius")	Geological services
Mill Street Services Ltd. ("Mill Street")	Management services
Hephaestus Consulting Services Inc. ("Hephaestus")	Directors' fees

Balances and transactions with related parties not disclosed elsewhere in these condensed interim financial statements are as follows:

(a) During the periods ended March 31, 2024 and 2023, the Company reimbursed Gold Group for the following costs:

	Three months ended March 31, 2024	2023
General and administrative expenses:		
Office and administration	$ 19,573	$ 21,503
Salaries and benefits	52,288	54,021
Shareholder communications	12,051	7,821
Transfer agent and regulatory fees	1,413	1,894
Travel and accommodation	6,792	8,048
	$ 92,117	**$ 93,287**
Exploration expenditures	**$ 55,407**	**$ 19,441**

Gold Group is owned by the Chief Executive Officer of the Company and is reimbursed by the Company for certain shared costs and other business-related expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs paid to Gold Group include those for the Chief Financial Officer, Vice President Corporate Development, and Corporate Secretary.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS *(cont'd)*

(b) Prepaid expenses as of March 31, 2024 include $Nil (December 31, 2023: $5,005) paid to Gold Group.

(c) Deposits as of March 31, 2024 consist of $61,000 (December 31, 2023: $61,000) paid to Gold Group and are related to the shared office and administrative services agreement with Gold Group. Upon termination of the agreement, the deposits, less any outstanding amounts owing to Gold Group, are to be refunded to the Company.

(d) Amounts due to related parties as of March 31, 2024 consist of $50,676 (December 31, 2023: $47,863) due to Gold Group. The balance due to Gold Group is collateralized by a deposit.

These transactions are measured at fair value of the services rendered.

Key management compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Three months ended March 31,	
	2024	**2023**
Exploration expenditures:		
Geological fees	$ -	$ 1,800
Salaries and benefits	48,000	37,169
General and administrative expenses:		
Management fees	10,500	13,200
Salaries and benefits	22,919	29,862
Share-based payments (value of stock options granted and vested)	-	462,840
	$ 81,419	**$ 544,871**

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed interim financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices affecting the Company are comprised of the following types of risk: interest rate risk and equity price risk. The Company is not exposed to the risk related to the fluctuation of foreign currency rates.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to not be significant.

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments are exposed to equity price risk due to the potentially volatile and speculative nature of the businesses in which the equity investments are held. The common shares held in Damara and Voyager are monitored by management with decisions on sale taken at Board level. A 10% change in fair value of the shares would result in a $150 increase or decrease in comprehensive loss.

(b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and equity investments. The Company limits exposure to credit risk by maintaining its cash with chartered Canadian financial institutions. The Company does not have cash or equity investments that are invested in asset-based commercial paper.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(cont'd)*

(c) 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's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At March 31, 2024, the Company had working capital of $727,834 (December 31, 2023: $1,136,087). All of the Company's financial liabilities, with the exception of a flow-through and Part XII.6 tax liabilities (Note 10) and lease liability (Note 9), have contractual maturities of less than 45 days and are subject to normal trade terms.

Determination of Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. All financial instruments at March 31, 2024 are carried at amortized cost, apart from the equity investment in a public company with shares in an active market of $1,500 (December 31, 2023: $1,500), which is carried at fair value. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The statement of financial position carrying amounts for cash, accounts payables and accrued liabilities, and due to related parties approximates fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

The statement of financial position carrying amounts for cash, accounts payables and accrued liabilities, and due to related parties approximates fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The equity investment in Damara is based on a quoted price and is therefore considered to be Level 1.

The equity investment in Voyager was recorded at fair value when it was received and assessed for impairment as at March 31, 2024 and December 31, 2023. This investment is considered to be Level 3.

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing capital resources and aim to raise additional amounts as needed. 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 on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2024. The Company's investment policy is to hold cash in interest-bearing bank accounts and/or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company currently is not subject to any externally imposed capital requirements. The Company expects its current capital resources to be sufficient to cover its existing flow-through expenditure commitment but not corporate operating costs and other potential exploration and/or mineral property acquisition costs through the next twelve months. As such, the Company is seeking to raise additional capital (Note 17) and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including the level of exploration activity and possible property acquisition opportunities.

16. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. All of the Company's long-term assets and operations are in Canada.

17. EVENTS AFTER THE REPORTING DATE

Subsequent to March 31, 2024, the following events which have not been disclosed elsewhere in these financial statements have occurred:

On April 30, 2024, the Company announced a proposed non-brokered private placement financing to raise total gross proceeds of up to $4.0 million (the "Offering"). The Offering will be a combination of a hard-dollar unit offering at a price of $0.15 per unit, a flow-through unit offering (the "FT Offering") at a price of $0.17 per unit, and a charity flow-through unit offering (the "CFT Offering) at a price of $0.21 per unit.

Each unit will consist of one common share of the Company and one warrant, and each warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.20 for one year following the closing of the Offering. Each common share to be issued in the FT Offering and CFT Offering will qualify as a "flow-through share" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada)).

The closing of the Offering is subject to approval of the TSX-V.