



Condensed Consolidated Interim Financial Statements

ISSUER DETAILS

Three and Six Months Ended:
Date of the Report:

November 30, 2023
January 29, 2024

Name of Issuer:
Issuer Address:

HAWKEYE GOLD & DIAMOND INC.
M 202 – 1985 Alberni Street
Vancouver, BC, Canada V6G 0A2

Issuer Phone Number:
Issuer Email Address:
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HAWKEYE Gold & Diamond Inc.

**Condensed Consolidated Interim Financial Statements
Three and Six Months ended November 30, 2023 and 2022**

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HAWKEYE GOLD & DIAMOND INC.

NOTICE TO READERS

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

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

HAWKEYE GOLD & DIAMOND INC.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	November 30, 2023	May 31, 2023
ASSETS		
Current		
Cash	\$ -	\$ 3,774
GST receivable	8,554	6,167
Prepaid expenses and deposits	1,750	1,750
	10,304	11,691
Equipment (note 6)	4,932	5,732
Exploration and evaluation assets (schedules 1 and 2, note 7)	92,014	469,420
Total Assets	\$ 107,250	\$ 486,843
LIABILITIES		
Current		
Accounts payable and accrued liabilities	259,649	244,761
Due to related parties (note 13)	1,009,659	918,236
CEBA loan (note 8)	-	35,260
Total Current	1,269,308	1,198,257
CEBA loan (note 8)	38,293	-
Total Liabilities	1,307,601	1,198,257
SHAREHOLDERS' DEFICIENCY		
Share capital (note 9)	16,823,804	16,823,804
Subscription received	30,000	0
Reserves (notes 9 and 10)	857,866	857,866
Deficit	(18,912,021)	(18,393,084)
Total Shareholders' Deficiency	(1,200,351)	(711,414)
Total Liabilities and Shareholders' Deficiency	\$ 107,250	\$ 486,843

Nature and Continuance of Operations (Note 1)

Approved on behalf of the Board: **"Greg Neeld"** **"Stephen Pelletier"**
Greg Neeld Stephen Pelletier

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

HAWKEYE GOLD & DIAMOND INC.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)**

	Three months ended November 30,		Six months ended November 30,	
	2023	2022	2023	2022
Expenses			\$	\$
Advertising, entertainment, and promotion	-	2,616	-	54,011
Accretion, bank and financing charges (note 8)	2,003	364	3,417	1,299
Consulting	-	7,500	4,440	64,445
Depreciation (note 6)	300	502	800	1,004
Transfer agent, filing and regulatory fees	8,725	4,981	12,517	11,544
Management fees (note 13)	36,000	36,000	72,000	72,000
Office and miscellaneous	905	6,264	6,017	14,597
Professional fees	14,585	14,916	17,385	29,878
Rent	13,600	11,352	24,955	22,434
Loss before the following:	(76,118)	(84,495)	(141,531)	(271,212)
Exploration and evaluation assets impairment	(377,406)	-	(377,406)	-
Gain on sale of exploration and evaluation assets	-	35,000	-	217,922
Loss and comprehensive loss	(453,524)	(49,495)	(518,937)	(53,290)
Loss per share - basic and diluted	(0.05)	0.00	(0.05)	0.00
Weighted average number of common shares outstanding - basic and diluted *	9,819,950	9,669,950	9,819,950	9,588,734

Post 10:1 share consolidation (Note 9)The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

HAWKEYE GOLD & DIAMOND INC.
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(Unaudited - Expressed in Canadian dollars)

	Number of Shares	Share Capital	Subscriptions Received	Reserves	Deficit	Total Deficiency
Balance, May 31, 2022*	9,157,450	\$ 16,712,304	\$ 50,000	\$ 857,866	\$ (18,002,852)	\$ (382,682)
Private placement	512,500	102,500	(50,000)	-	-	52,500
Loss for the period	-	-	-	-	(53,290)	(53,290)
Balance, November 30, 2022*	9,669,950	\$ 16,814,804	\$ -	\$ 857,866	\$ (18,056,142)	\$ (383,472)

	Number of Shares	Share Capital	Subscriptions Received	Reserves	Deficit	Total Deficiency
Balance, May 31, 2023*	9,819,950	\$ 16,823,804	\$ -	\$ 857,866	\$ (18,393,084)	\$ (711,414)
Subscription	-	-	30,000	-	-	30,000
Loss for the period	-	-	-	-	(518,937)	(518,937)
Balance, November 30, 2023*	9,819,950	\$ 16,823,804	\$ 30,000	\$ 857,866	\$ (18,912,021)	\$ (1,200,351)

***Post 10:1 share consolidation (Note 9)**

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

HAWKEYE GOLD & DIAMOND INC.
Condensed Consolidated Interim Statements of Cash
Flows
(Unaudited - Expressed in Canadian Dollars)

Six months ended November 30,	2023	2022
Cash flows used in operating activities	\$	\$
Loss for the period	(518,937)	(53,288)
Adjustments for:		
Accretion on CERB loan	3,915	-
Depreciation	800	1,004
Gain on disposition of assets held for sale	-	(217,922)
Impairment of exploration and evaluation assets	377,406	-
Changes in non-cash working capital items:		
Receivables	(2,387)	(15,433)
Due to related parties	91,423	5,210
Accounts payable and accrued liabilities	14,006	(522,292)
	(33,774)	(802,721)
Cash flows used in investing activities		
Deferred exploration expenditures incurred	-	(189,066)
Return of reclamation bonds	-	35,000
	-	(154,066)
Cash flows provided by financing activities		
Repayment of loans payable	-	(345,230)
Proceeds from sale of exploration and evaluation assets	-	1,400,000
Advance from sales of exploration and evaluation assets	-	(146,683)
Proceeds from share issuances	-	102,500
Receipts of share subscriptions	30,000	(50,000)
	30,000	960,587
Change in cash of period	(3,774)	3,800
Cash, beginning of period	3,774	2,025
Cash, end of period	-	5,825

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

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

1. Nature and Continuation of Operations

Hawkeye Gold & Diamond Inc. (the "Company") is an exploration stage company, and the primary function of the business is to be engaged in the exploration for and the development of natural resources in Canada. The Company's registered office is M202 – 1985 Alberni Street, Vancouver BC, V6G 0A2. The common shares of the Company trade on the TSX Venture Exchange ("TSXV") under the symbol "HAWK" and on the Frankfurt Stock Exchange under the symbol "HGT".

On April 18, 2023, the Company consolidated its common shares on a 10-to-1 basis (note 9). The share amounts in these consolidated financial statements have been adjusted on a retrospective basis.

The Company's principal business activities include the acquisition and exploration of mineral property assets. On November 30, 2023, the Company had not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for an exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

These condensed consolidated interim 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 of November 30, 2023 the Company has a working capital deficiency of \$1,259,004 (May 31, 2023 – deficiency of \$1,186,566), and a deficit of \$18,912,021 (May 31, 2023 – deficit of \$18,393,084). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company may be required to curtail operations. These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these accompanying consolidated financial statements.

These condensed consolidated interim financial statements were approved for issuance by the Board of Directors on January 29, 2024.

2. Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards-34 Interim Financial Reporting and should be read in conjunction with the annual financial statements for the most recent year ended May 31, 2023, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

3. Basis of Measurement and Presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis. The annual consolidated financial statements are presented in Canadian dollars, which is also the Company and its subsidiaries' functional currency.

In the condensed consolidated interim income statements, several accounts with small amounts have been grouped in 2023 for consistency to the presentation in 2024.

4. Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries:

	November 30, 2023	May 31, 2023
Hawkeye Oro de Mexico S.A. de C.V	100%	100%
Tesla Nickel Corporation	100%	100%

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. The Company's subsidiaries are currently inactive. All inter-company amounts have been eliminated on consolidation.

5. Significant Accounting Policies

The Company has not adopted new accounting policies since its recent year ended May 31, 2023. The accounting policies of the Company was applied consistently by the Company to all periods presented.

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for current or future account periods. None of these are expected to have a significant effect on the Company's consolidated financial statements.

HAWKEYE GOLD & DIAMOND INC.**Notes to Condensed Consolidated Interim Financial Statements
Three and Six Months Ended November 30, 2023 and 2022
(Unaudited - Expressed in Canadian dollars)****6. Equipment**

Costs				
	Computer Equipment	Computer Software	Office Equipment	Total
Balance, May 31, 2022	\$ 65,955	\$ 2,309	\$ 34,040	\$ 102,304
Balance, May 31, 2023	\$ 65,955	\$ 2,309	\$ 34,040	\$ 102,304
Balance, November 30, 2023	\$ 65,955	\$ 2,309	\$ 34,040	\$ 102,304

Accumulated Depreciation				
	Computer Equipment	Computer Software	Office Equipment	Total
Balance, May 31, 2022	\$ 61,361	\$ 2,309	\$ 30,894	\$ 94,564
Depreciation	1,379	-	629	2,008
Balance, May 31, 2023	\$ 62,740	\$ 2,309	\$ 31,523	\$ 96,572
Depreciation	550	-	250	800
Balance, November 30, 2023	\$ 63,290	\$ 2,309	\$ 31,773	\$ 97,372

Net Carrying Amount				
	Computer Equipment	Computer Software	Office Equipment	Total
Balance, May 31, 2023	\$ 3,215	\$ -	\$ 2,517	\$ 5,732
Balance, November 30, 2023	\$ 2,665	\$ -	\$ 2,267	\$ 4,932

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

7. Exploration and Evaluation Assets

As at November 30, 2023, the Company has the following active mineral projects:

a) Bonanza Project

On January 16, 2017, the Company entered into a purchase and sale agreement to acquire a 100% interest in the Bonanza Property located on the northern end of Vancouver Island. The Company has acquired a 100% interest in the property by paying \$5,000 and issuing 25,000 common shares with a fair value of \$0.60 per share. On October 14, 2020 the Company entered into an agreement to amend the terms regarding the Net Smelter Return ("NSR") provision. The new terms state that the Property is subject to a 2% Net Smelter Return in favour of the Vendor for all minerals. The Company may repurchase 1.5% of the NSR for \$1.5 million. The remaining 0.5% held by the Vendor will be subject to a right of first refusal by the Company until October 14, 2030. The Company paid \$3,750 and issued 15,000 common shares to secure the amending agreement. The Company received TSXV acceptance for the amending agreement on November 4, 2020.

During the year ended May 31, 2021, the Company wrote off the \$43,962 carrying value of the property as there were no immediate plans for exploration activities.

The Company intends to conduct additional exploration work during the next twelve months.

b) 2-Aces Project

The Company entered into a Sale and Purchase Agreement ("SAPA") with the Vendor of the 2-Aces Project on June 8, 2017 to acquire a 100% interest in the property. The terms call for payment of \$12,000 cash and issuance of 5,000 common shares of the Company, plus an additional 25,000 common shares of the Company if it proceeds to a pre-feasibility study. The Company received TSXV acceptance of the agreement on October 4, 2017.

During the year ended May 31, 2020, the Company revised the terms of the SAPA whereby the payment terms were replaced in their entirety and the 100% interest could be earned by issuing 55,000 common shares. On November 20, 2019, the Company acquired the 100% interest in the property by issuing 55,000 common shares with a fair value of \$0.35 per share.

The 3-Aces Project is comprised of the 2-Aces West Property and the 2-Aces East Property. During the six months ended November 30, 2023, the Company did not extend the good to anniversary date for the 2-Aces West property. This claim was allowed to lapse, and the Company does not own any interest in the property.

During the six-month period ended November 30, 2023, the Company wrote down the carrying value of this property by \$92,014 based on the number of permits that expired.

Hawkeye owns a 100% interest in the 2-Aces East property. Should the 2-Aces East property advance to a PEA, the Company is required to issue the vendor 12,500 common shares, not 25,000 shares as discussed above within ninety days after completion of the PEA report.

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

7. Exploration and Evaluation Assets (Continued)

c) Cariboo Valley Project

The Company entered into a Sale and Purchase Agreement with the Vendor of the Cariboo Valley Project on July 4, 2017 to acquire a 100% interest in the property. The terms call for payment of \$5,000 cash and issuance of 5,000 common shares of the Company, plus an additional 25,000 common shares of the Company if it proceeds to a pre-feasibility study. The Company received TSXV acceptance of the agreement on October 6, 2017.

During the year ended May 31, 2020, the Company revised the terms of the SAPA whereby the payment terms were replaced in their entirety and the 100% interest could be earned by issuing 25,000 common shares. On November 20, 2019, the Company acquired a 100% interest in the property by issuing 25,000 common shares with a fair value of \$0.35 per share.

During the six-month period ended November 30, 2023, the good to anniversary dates for the claims lapsed and the carrying value of this property has been fully written down by \$80,923.

d) Seller Creek Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Seller Creek Project on August 23, 2017 to acquire a 100% interest in the property. The terms call for payment of \$15,000 cash and issuance of 5,000 common shares of the Company, plus an additional 25,000 common shares of the Company if it proceeds to a pre-feasibility study. The Company received TSXV approval on October 17, 2017.

During the year ended May 31, 2020, the Company revised the terms of the SAPA whereby the payment terms were replaced in their entirety and the 100% interest could be earned by issuing 65,000 common shares. On November 20, 2019, the Company acquired a 100% interest in the property by issuing 65,000 common shares with a fair value of \$0.35 per share.

During the six-month period ended November 30, 2023, the good to anniversary dates for the claims lapsed and the carrying value of this property has been fully written down by \$204,469.

A breakdown of exploration and evaluation expenditures incurred during the six months ended November 30, 2023 and year ended May 31, 2023 are available in the Schedules 1 and 2 of the accompanying notes to these condensed consolidated interim financial statements.

8. Canada Emergency Business Account (CEBA Loan)

The Company was approved for a \$60,000 COVID-19 relief line of credit via the Canada Emergency Business Account Program ("CEBA"). The terms provide for an interest free period of 36 months from December 31, 2020 and if 2/3 of the loan is repaid on or before December 31, 2023 (subsequently extended to January 18, 2024), the remaining 1/3 (\$20,000) will be forgiven. As the Company did not repay any amount to the CEBA by January 18, 2024, the expiry date of this loan is extended for a two-year term (further extended to December 31, 2026 in September 2023) and becomes interest bearing at 5% per annum.

As at November 30, 2023, the loan is recognized at fair market value of \$38,293 (2023/5/31: \$35,260). The fair value of the loan was calculated using an annual interest rate of 24%. As at November 30, 2023, the face value of the loan is \$60,000 (2023/5/31: \$60,000). During the six

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

months ended November 30, 2023, the Company recorded an accretion expense of \$3,915 which is included in the Company's accretion, bank and financing charges.

9. Share Capital

a) Authorized:

Unlimited common shares without par value.

b) Issued and Outstanding:

On April 18, 2023, the Company consolidated its common shares on a 10-to-1 basis. The presentation of the number of outstanding shares, warrants, stock options, loss per share, exercise price of warrants and options have been revised retrospectively within this report.

As at November 30, 2023 and May 31, 2023, there were 9,819,950 common shares issued and outstanding.

In September 2023, the Company initiated a private placement for the issuance of up to two million common units for gross proceeds of \$100,000 (\$0.05 per share). Each unit consists of one common share and one half of a transferable share purchase warrant, with each warrant exercisable into one common share at a price of \$0.10 per share for a period of twenty-four months after issuance.

During the year ended May 31, 2023, the Company issued 662,500 shares as follows:

(i) On June 30, 2022, the Company closed a private placement by issuing 512,500 common units at \$0.20 per unit for gross proceeds of \$102,500. Each unit consists of one common share and one purchase warrant. Each purchase warrant has an exercise price of \$0.75 per common share and a term of 2 years expiring June 30, 2024. The Company applied residual method and added \$nil to the Company's reserve to account for the fair value of the 512,500 warrants issued.

If at any time after the closing date; the Company's common shares have a closing price of \$1.50 or more per share for ten consecutive trading days on the TSX Venture Exchange, the Company shall be entitled to give notice to the holders of the warrants that the warrants will expire at 4:30 pm (Vancouver time) thirty days from the date of mailing of such notice or the news release of such notice.

(ii) On May 31, 2023, the Company issued 150,000 common share at \$0.06 per share with a total fair value of \$9,000 for the maintenance of three mineral properties.

c) Share Purchase Warrants

Summary of the warrants outstanding as at November 30, 2023:

	Number of Warrants	Weighted avg exercise price
Balance at May 31, 2022	4,929,706	\$ 0.75
Issued	512,500	0.75
Balance at May 31, 2023	5,442,206	0.75
Expired	3,992,706	0.69
Balance at November 30, 2023	1,449,500	\$ 0.91

During the six months ended November 30, 2023, 711,000 warrants with an exercise price of \$1.00, 1,724,300 warrants with an exercise price of \$0.50, 1,377,406 warrants with an exercise price of \$0.75, 180,000 warrants with an exercise price of \$1.00 expired unexercised.

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

9. Share Capital (Continued)

c) Share Purchase Warrants (continued)

The 1,449,500 share purchase warrants outstanding as at November 30, 2023 are as follows:

Number of Warrants	Exercise Price	Expiry Date
15,000	\$0.75	December 23, 2023
584,000	\$1.00	September 16, 2024
338,000	\$1.00	November 15, 2024
512,500	\$0.75	June 30, 2024
1,449,500		

The weighted average remaining contractual life of granted and outstanding warrants at November 30, 2023 is 0.75 years (May 31, 2023: 0.57 years).

10. Stock Options

The Company has a stock option plan for reserving a maximum of 10% of the issued shares of the Company for issuance under its Rolling Stock Option Plan. The maximum number of shares which may be reserved for any eligible person within a 12-month period shall not exceed 5% of issued and outstanding shares and the maximum number of shares which may be reserved for all consultants or providers of investor relations services within a 12-month period shall not exceed 2% of the issued and outstanding shares.

As at November 30, 2023 and May 31, 2023, there were 145,616 stock options with a weighted average exercise price of \$1.08 outstanding. During the six months ended November 30, 2023, there were no issuance, expiry, cancellation, or exercise of the Company's stock options. (Year ended May 31, 2023 - 14,500 stock options with an exercise price of \$1.00 expired unexercised)

The terms of the 145,616 stock options outstanding as at November 30, 2023 and May 31, 2023 are as follows:

Number of Shares	Exercise Price	Expiry Date
86,116	1.00	April 25, 2026
17,000	1.20	September 9, 2026
42,500	1.20	January 25, 2027

The weighted average remaining contractual life of granted and outstanding stock options at November 30, 2023 was 2.67 years (May 31, 2023: 3.17 years).

11. Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, due to related parties, CEBA loan and loans payable.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 – Inputs that are not based on observable market data.

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

11. Financial Instruments (Continued)

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. As at November 30, 2023 and May 31, 2023, the Company did not have any financial instruments classified as FVTPL. The fair values of accounts payable and accrued liabilities, due to related parties and loans payable approximate their carrying values due to the short-term nature of these instruments. The long-term loan is carried at amortized cost using a 24% borrowing rate.

12. Risk Management

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of a major Canadian bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's cash. The Company's cash is held in corporate bank accounts available on demand.

As at November 30, 2023, the Company has a working capital deficiency as described in Note 1. The Company's continued operations remain dependent on sources of external financing, such as private placements. Based on these facts, the Company is exposed to liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

- ***Currency Risk***

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars; therefore, currency risk is minimal.

- ***Interest Rate Risk***

Interest rate risk is the risk that the fair value or 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.

- ***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock

HAWKEYE GOLD & DIAMOND INC.

Notes to Condensed Consolidated Interim Financial Statements Three and Six Months Ended November 30, 2023 and 2022 (Unaudited - Expressed in Canadian dollars)

market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

13. Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

- a) During the six months ended November 30, 2023, \$60,000 (2022: \$60,000) was paid or accrued to the President and director of the Company as management fees.
- b) During the three months ended November 30, 2023, \$12,000 (2022: \$12,000) was paid or accrued to an individual related to the President of the Company as compensation for services rendered and included in management fees.
- c) As at November 30, 2023, there is a balance of \$914,691 (May 31, 2023: \$835,268) due to the President and director of the Company included in due to related parties.
- d) As at November 30, 2023, there is a balance of \$1,743 (May 31, 2023: \$1,743) due to a company owned by the President of the Company included in due to related parties.
- e) As at November 30, 2023, there is a balance of \$93,225 (May 31, 2023: \$81,225) due to an individual related to the president and director of the Company included in due to related parties.

The above noted transactions have been reported at amounts agreed to by the related parties.

Amounts outstanding in due to related parties and loans payable are unsecured, non-interest bearing with no specific terms of repayment.

14. Subsequent Events

15,000 share purchase warrants with an exercise price of \$0.75 expired in December 2023 without exercise.

HAWKEYE GOLD & DIAMOND INC.**Schedule 1****Consolidated Schedule of Deferred Exploration Expenditures****Six months ended November 30, 2023****(Unaudited - Expressed in Canadian Dollars)**

	2-Aces	Cariboo Valley	Seller Creek	TOTAL
	\$	\$	\$	\$
Balances, May 31, 2023				
Acquisition costs	19,250	8,750	22,750	50,750
Exploration expenditures	164,778	72,173	181,719	418,670
Total beginning property expenditures	184,028	80,923	204,469	469,420
Incurred during six months ended November 30, 2023				
Acquisition costs	-	-	-	-
Exploration expenditures				
Assays	-	-	-	-
Claim maintenance	-	-	-	-
Consulting	-	-	-	-
Field expenses	-	-	-	-
Helicopters	-	-	-	-
Management	-	-	-	-
Rentals	-	-	-	-
Survey	-	-	-	-
Travel	-	-	-	-
Total current year exploration	-	-	-	-
Less:				
Acquisition costs written off	(9,625)	(8,750)	(22,750)	(41,125)
Exploration expenditures written off	(82,389)	(72,173)	(181,719)	(336,281)
Total property interest written off	(92,014)	(80,923)	(204,469)	(377,406)
Balance, end of period:				
Acquisition costs	9,625	-	-	9,625
Exploration expenditures	82,389	-	-	82,389
Mineral Property Interests, November 30, 2023	92,014	-	-	92,014

HAWKEYE GOLD & DIAMOND INC.
Schedule 2
Consolidated Schedule of Deferred Exploration Expenditures
Year Ended May 31, 2023
(Expressed in Canadian Dollars)

	Bonanza	2-Aces	Keithley Creek	Cariboo Valley	Seller Creek	Swift River	TOTAL
	\$	\$	\$	\$	\$	\$	\$
Balances, May 31, 2022							
Acquisition costs	-	19,250	12,250	8,750	22,750	12,600	75,600
Exploration expenditures	1,000	104,328	84,764	43,880	103,893	65,277	403,142
Total beginning property expenditures	1,000	123,578	97,014	52,630	126,643	77,877	478,742
Incurred during 2023:							
Acquisition costs	-	-	-	-	-	-	-
Exploration expenditures							
Assays	-	91	-	320	685	548	1,644
Claim maintenance	-	4,313	-	-	490	-	4,803
Consulting	-	24,145	1,975	10,583	26,216	10,026	72,945
Field expenses	-	8,123	-	7,561	16,897	2,281	34,862
Helicopters	-	18,064	-	8,762	24,750	-	51,576
Management	-	3,916	-	1,776	5,257	751	11,700
Rentals	-	1,684	-	1,324	3,610	1,324	7,942
Survey	-	1,650	-	-	4,211	-	5,861
Travel	-	2,277	-	185	8	411	2,881
METC credit received	-	(3,813)	(11,921)	(2,218)	(4,298)	(5,266)	(27,516)
Total exploration expenditures	-	60,450	(9,946)	28,293	77,826	10,075	166,698
Total current year expenditures	-	60,450	(9,946)	28,293	77,826	10,075	166,698
Less:							
Acquisition costs written off	-	-	(12,250)	-	-	(12,600)	(24,850)
Exploration expenditures written off	(1,000)	-	(74,818)	-	-	(75,352)	(151,170)
Total property interest written off	(1,000)	-	(87,068)	-	-	(87,952)	(176,020)
Balance, end of period:							
Acquisition costs	-	19,250	-	8,750	22,750	-	50,750
Exploration expenditures	-	164,778	-	72,173	181,719	-	418,670
Mineral Property Interest, May 31, 2023	-	184,028	-	80,923	204,469	-	469,420