1911 Gold Corporation

Condensed Interim Consolidated Financial Statements

(Unaudited - expressed in thousands of Canadian dollars)

For the three and six months ended June 30, 2024 and 2023

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated 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 interim consolidated financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

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

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - expressed in thousands of Canadian dollars)

	Note	June 30, 2024	December 31, 2023
		$	$
ASSETS			
Current			
Cash		885	3,099
Marketable securities	5	18	71
Inventories	6	423	423
Prepaid expenses and other		835	354
		2,161	3,947
Non-current			
Restricted cash	18	400	400
Plant and equipment, net	7	853	891
Mineral properties	8	30,325	30,325
TOTAL ASSETS		**33,739**	**35,563**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	894	1,929
Accrued compensation and benefits		264	311
Flow-through share premium liability	11	43	80
		1,201	2,320
Non-current			
DSU liability	10	8	–
Reclamation obligations	12	2,811	2,719
TOTAL LIABILITIES		**4,020**	**5,039**
SHAREHOLDERS’ EQUITY			
Share capital	13	35,997	35,997
Share-based payment reserve	13	1,526	1,465
Other reserves		130,106	130,106
Deficit		(137,910)	(137,044)
TOTAL SHAREHOLDERS’ EQUITY		**29,719**	**30,524**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**33,739**	**35,563**

Nature of operations and going concern – Note 1
Commitments and Contingencies – Note 18
Subsequent events – Note 19

On behalf of the Board:

/s/ Gary O’Connor
Chairman

/s/ Blair Schultz
Director

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and six months ended June 30, 2024 and 2023

(Unaudited - expressed in thousands of Canadian dollars)

	Note		Three months ended June 30		Six months ended June 30
		2024 $	2023 $	2024 $	2023 $
REVENUES		–	–	–	731
Expenses					
Administrative and office		201	144	365	259
Consulting		47	40	81	90
Depreciation		77	116	152	239
Director fees	**15**	18	39	35	79
Exploration and evaluation	**15**	163	54	368	783
Fuel and utilities		829	766	1,688	973
Professional fees	**15**	28	64	55	86
Property tax and insurance		61	51	113	99
Salaries and benefits	**15**	353	223	553	450
Share-based payments	**10,13,15**	49	13	69	46
Shareholder communications		68	5	101	23
Loss before other items		(1,894)	(1,515)	(3,580)	(2,396)
Rental revenues and other	**7**	1,212	941	2,359	1,262
Flow-through premium recovery	**11**	23	–	37	–
Interest income (expense)		9	(2)	19	–
Reclamation obligations accretion	**12**	(45)	(44)	(92)	(89)
(Loss) gain on marketable securities	**5**	(9)	26	(53)	9
Foreign exchange gain (loss)		–	2	(6)	12
Gain on disposal of equipment	**7**	450	133	450	133
Writedown of inventory	**6**	–	–	–	(143)
Net loss for the period		(254)	(459)	(866)	(1,212)
Other comprehensive income for the period					
Currency translation adjustment		–	3	–	5
Comprehensive loss for the period		(254)	(456)	(866)	(1,207)
Loss per share					
Basic and diluted		(0.00)	(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding					
Basic and diluted		134,481,495	68,216,155	134,481,495	68,216,155

Condensed Interim Consolidated Statement of Cash Flows
For the six months ended June 30, 2024 and 2023

(Unaudited - expressed in thousands of Canadian dollars)

		Six months ended June 30	
	Note	2024 $	2023 $
CASH (USED IN) PROVIDED BY:			
Operating activities			
Net loss for the period		(866)	(1,212)
Depreciation and depletion		152	239
Accretion on reclamation obligations	**12**	92	89
Gain (loss) on marketable securities	**5**	53	(9)
Share-based payments	**10,13**	69	46
Foreign exchange loss (gain)		6	(7)
Flow-through premium recovery	**11**	(37)	–
Gain on disposal of equipment		(450)	(133)
Changes in non-cash working capital items			
Inventories		–	144
Prepaid expenses and other		(481)	133
Accounts payable and accrued liabilities		(1,041)	(24)
Accrued compensation and benefits		(47)	39
		(2,550)	(695)
Investing activities			
Expenditures on plant and equipment		(114)	–
Proceeds on disposal of equipment		450	187
		336	187
Decrease in cash		(2,214)	(508)
CASH - BEGINNING OF PERIOD		**3,099**	**630**
CASH - END OF PERIOD		**885**	**122**

Supplemental cash flow information – Note 17

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in thousands of Canadian dollars)

	Note	Number of common shares	Share capital	Share–based Payment and warrant reserve	Accumulated other comprehensive loss	Other reserves	Deficit	Total
			$	$	$	$	$	$
Balance, December 31, 2022		**68,216,155**	**31,776**	**1,423**	**(7)**	**130,106**	**(135,112)**	**28,186**
Share-based payments	**10,13**	–	–	46	–	–	–	46
Loss for the period		–	–	–	–	–	(1,212)	(1,212)
Expiry of warrants		–	–	(74)	–	–	74	–
Cumulative translation adjustment		–	–	–	5	–	–	5
Balance, June 30, 2023		**68,216,155**	**31,776**	**1,395**	**(2)**	**130,106**	**(136,250)**	**27,025**
Shares issued by private placement		60,489,882	3,898	–	–	–	–	3,898
Share issuance costs		–	(30)	–	–	–	–	(30)
Flow-through share premium		–	(80)	–	–	–	–	(80)
Shares issued for debt		5,775,458	433	–	–	–	–	433
Share-based payments	**10,13**	–	–	70	–	–	–	70
Net loss for the period		–	–	–	–	–	(794)	(794)
Cumulative translation adjustment		–	–	–	2	–	–	2
Balance, December 31, 2023		**134,481,495**	**35,997**	**1,465**	**–**	**130,106**	**(137,044)**	**30,524**
Share-based payments	**10,13**	–	–	61	–	–	–	61
Net loss for the period		–	–	–	–	–	(866)	(866)
Balance, June 30, 2024		**134,481,495**	**35,997**	**1,526**	**–**	**130,106**	**(137,910)**	**29,719**

1. NATURE OF OPERATIONS

1911 Gold Corporation ("1911 Gold" or the "Company") is engaged in the exploration and extraction of precious metals. The Company owns and operates the Rice Lake property which holds the True North gold mine and mill ("True North"), as well as the Apex property near Snow Lake, Manitoba and the Denton-Keefer property near Timmins, Ontario. The Company was incorporated under the British Columbia Business Corporations Act on May 3, 2018 and its common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "AUMB" and are quoted on the OTCBB under the symbol "AUMBF". The Company's principal place of business is located at 400 Burrard Street, Suite 1050, Vancouver, BC V6C 3A6.

Going concern

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for at least twelve months from period end. At June 30, 2024 the Company had working capital (current assets less current liabilities) of $960 (December 31, 2023 – $1,627). During the six months ended June 30, 2024 the Company incurred a loss of $866 (year ended December 31, 2023 - $2,006) and used cash for operating activities of $2,550 (year ended December 31, 2023 - $2,562).

The Company has a history of operating losses, has limited financial resources, and no assurance that sufficient funding will be available to enable the Company to continue exploration activities. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of common shares, through entering into joint ventures, using existing infrastructure to raise additional revenues, or by realizing proceeds from the disposition of its mineral interests. Management plans to continue to secure the necessary financing through a combination of equity financing and divesting of non-core property holdings; however, there can be no assurance that the Company will be successful in these actions. There is a material uncertainty related to these conditions that may cast significant doubt on the Company's ability to continue as a going concern, and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance and functional currency

These condensed interim consolidated financial statements have been presented in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements were approved by the Board of Directors on August 15, 2024. These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value.

These condensed interim consolidated financial statements include the financial statements of the Company's subsidiary, 1911 Gold USA Ltd. until August 29, 2023 when the subsidiary was dissolved. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company's Canadian entity. The functional currency of the Company's foreign entity, 1911 Gold USA Ltd., was US dollars. The accounts of the subsidiary were prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions were eliminated on consolidation.

(Unaudited - expressed in thousands of Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these condensed interim consolidated financial statements, the Company has used the same accounting policies and methods of computation as in the most recent audited annual financial statements for the Company for the year ended December 31, 2023.

Accounting standards adopted during the year

In October 2022, the IASB issued *Non-current liabilities with covenants* (amendments to IAS 1*)*. These amendments increase the disclosure required to enable users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months. The amendments are effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments do not have a material effect on the consolidated financial statements.

As at December 31, 2023, there are no other IFRS Accounting Standards or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the annual consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions, which by their nature are uncertain, affect the carrying value of assets, impact decisions as to when exploration and evaluation costs should be capitalized or expensed. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The Company's critical accounting estimates and judgments applied in the preparation of these condensed interim consolidated financial statements are consistent with those reported in our 2023 annual consolidated financial statements.

5. MARKETABLE SECURITIES

	$
Balance at December 31, 2022	**35**
Mark-to-market adjustment on fair value of marketable securities	36
Balance at December 31, 2023	**71**
Mark-to-market adjustment on fair value of marketable securities	(53)
BALANCE AT JUNE 30, 2024	**18**

As at June 30, 2024, the Company held 1,745,550 shares of 55 North Mining Inc. ('55 North"). During the six months ended June 30, 2024, the Company recorded a mark-to-market adjustment of $53 bringing the fair value of the shares as at June 30, 2024 to $18.

(Unaudited - expressed in thousands of Canadian dollars)

6. INVENTORIES

As at June 30, 2024 and December 31, 2023, the inventory consisted of supplies inventory. During the year ended December 31, 2023 a write-down of $481 was taken on inventory for obsolete supplies.

7. PLANT AND EQUIPMENT

	Building	Field equipment	Furniture and equipment	Total
	$	$	$	$
COST:				
Balance at December 31, 2022	13,598	–	124	13,722
Disposals	(64)	–	–	(64)
Balance at December 31, 2023	13,534	–	124	13,658
Additions	–	114	–	114
Balance at June 30, 2024	13,534	114	124	13,772
ACCUMULATED DEPRECIATION AND DEPLETION				
Balance at December 31, 2022	(12,292)	–	(80)	(12,372)
Additions	(385)	–	(21)	(406)
Disposals	11	–	–	11
Balance at December 31, 2023	(12,666)	–	(101)	(12,767)
Additions	(137)	(6)	(9)	(152)
Balance at June 30, 2024	(12,803)	(6)	(110)	(12,919)
NET – DECEMBER 31, 2023	**868**	**–**	**23**	**891**
NET – JUNE 30, 2024	**731**	**108**	**14**	**853**

During the six months ended June 30, 2024, the Company recorded a gain on disposal of plant and equipment of $450 (2023: $133).

Leasing of the True North Mill Complex
On July 18, 2023, the Company entered into a letter agreement (the "Grid Agreement") with Grid Metals Corp. ("Grid") to lease the True North mill complex for future processing of spodumene pegmatite (lithium ore) from Grid's Donner Lake Lithium Project.

Execution of the Grid Agreement includes an upfront cash payment of $750 with an additional $1,000 cash payment due in 90 days upon completion of further technical due diligence. The lease arrangement involves milestone payments, a net smelter royalty of 1% from the sale of any lithium concentrate from ore processed by the True North mill complex, and ongoing payments to cover operating and depreciation costs during the term.

On October 17, 2023, April 24, 2024, and June 10, 2024, certain terms in the Grid Agreement were modified in order to reduce the near-term funding requirements for Grid, while leaving the overall mill lease agreement substantially intact. The terms that were modified were as follows:

- Toll milling agreement terms for the processing of the Company's gold ore during the lease period have been modified to increase the minimum available processing capacity for gold ore.

(Unaudited - expressed in thousands of Canadian dollars)

- The remaining payments to the Company have been modified to the following:
  - $500 to be paid as follows:
    - $100, payment due by June 15, 2024 (paid);
    - $200, payment due by December 31, 2024; and
    - $250 payment due by April 2025; and
  - payments related to operating cost expenses incurred each quarter related to the True North mill.

After payments above have been paid, Grid shall have the right to withdraw from the Grid Agreement with no further payment obligations to 1911. Otherwise, Grid shall have the right to continue the agreement by making the following payments:

- $500 cash along with an additional $500 financial assistance payment to the Company's financial security obligations to the Province of Manitoba (relating to the mine closure plan for the True North complex) due by December 31, 2025;
- a $900 financial assistance payment due by December 31, 2026; and
- a $500 financial assistance payment due by December 31, 2027.

During the six months ended June 30, 2024, the Company recognized $0.1 million of lease payments from the Grid Agreement in rental revenues and other in profit or loss (2023 - $nil).

Data Centre Agreements
The Company entered into three agreements in June, September and November of 2022 for the lease of a 0.35 hectare parcel of land on the True North site for the purpose of hosting a data processing centre, for a term of 3 to 5 years (the "Data Centre Agreement"). This data center is independently operated and maintained and will utilize excess hydroelectric power available at site for the purposes of providing data processing services to third parties. During the three and six months ended June 30, 2024, the Company recognized $1,083 and $2,225 respectively from the Data Centre Agreements in rental revenues and other in profit or loss (2023 - $861 and $1,131).

8. MINERAL PROPERTIES

	Mineral properties $
COST:	
Balance at December 31, 2022	61,242
Additions	82
Disposals	(200)
Balance at December 31, 2023 and June 30, 2024	61,124
ACCUMULATED DEPRECIATION AND DEPLETION	
Balance at December 31, 2023 and June 30, 2024	(30,799)
NET – DECEMBER 31, 2023	**30,325**
NET – JUNE 30, 2024	**30,325**

As a result of the shutdown of mining operations in 2018 and the focus on exploration activity for the foreseeable future, all the Company's mineral properties are considered to be in the exploration phase.

(Unaudited - expressed in thousands of Canadian dollars)

Sale of the Tully Property

On August 8, 2023, the Company entered into a purchase agreement with Fulcrum Metals PLC ("Fulcrum") for the sale of its 100% interest in eleven mining claims and a mining lease of the Tully Property ("Tully"). Pursuant to the terms of the purchase agreement, the Company received total consideration of $800 in cash and a 1.5% net smelter returns royalty ("NSR") on Tully. Fulcrum will have the option to repurchase up to 1% of the NSR with cash payments of $300 for each 0.5% repurchased. The Company recorded a gain on the sale of Tully in the amount of $600, which was included as a gain on disposal of mineral properties in profit or loss during the year ended December 31, 2023.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2024	December 31 2023
	$	$
Accounts payable	554	1,671
Accrued liabilities	340	258
	894	**1,929**

10. DEFERRED SHARE UNITS ("DSUs")

On June 26, 2024, the shareholders of the Company approved a new long-term incentive plan (the "LTIP"), which is a rolling 10% plan that provides for the grant of Stock Options, RSUs and DSUs. Under the plan, the DSUs can be granted to directors as part of their long-term compensation package, entitling them to receive the payout in either cash or shares. Should the payout be in cash, the cash value of the payout would be determined by multiplying the number of DSUs at the payout date by the closing price of the Company's shares on the day the individual ceased to be a director. Should the payout be in shares, each DSUs represents an entitlement to one common share of the Corporation.

The Company's DSUs outstanding as at June 30, 2024 and December 31, 2023 and the changes for the periods then ended are as follows:

	Number of DSUs
Balance as at December 31, 2023 and 2022	–
Granted	79,545
BALANCE AS AT JUNE 30, 2024	**79,545**

All grants under the plan are fully vested upon grant.

During the three and six months ended June 30, 2024, the Company granted 79,545 DSUs (2023: nil) with a market value of $9 (2023: $nil), at the date of grants, to non-executive directors. As at June 30, 2024, there are 79,545 (2023: nil) DSUs outstanding with a fair value of $8 (2023: $nil). The total share-based payment expense recognized for DSUs during the three and six months ended June 30, 2024 was $8 and $8 respectively (2023: $nil and $nil).

(Unaudited - expressed in thousands of Canadian dollars)

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share premium liability:

	$
Balance at December 31, 2022	–
Liability incurred on flow-through shares issued during the year	80
Balance at December 31, 2023	80
Settlement of flow-through share liability on incurred expenditures	(37)
BALANCE AT JUNE 30, 2024	**43**

During the year ended December 31, 2023, the Company issued 8,927,392 flow through units issued in two tranches with tranche one consisting of 2,260,715 flow-through units ("FT Units") for gross proceeds of $158, with each FT Unit comprised of one flow-through common share ("FT Share") and one flow-through warrant ("FT Warrant") exercisable to purchase one common share of the Company at $0.10 per share for 24 months, and tranche two consisting of 6,666,667 flow-through units ("Manitoba FT units") of the Company issuable to residents in Manitoba at $0.097 per Manitoba FT Unit for total proceeds of $648. Each Manitoba FT Unit comprised of one FT Share and one FT Warrant. No premium was recorded for the FT Units and a premium of $0.01 per share was recorded for the Manitoba FT shares.

During the six months ended June 30, 2024, the Company incurred $301 of eligible flow-through expenditures and a total flow-through share premium liability of $37 was amortized to flow-through premium recovery in profit or loss (2023 - $nil).

12. RECLAMATION OBLIGATIONS

The reclamation obligations are related to True North and are estimated based upon the present value of expected cash flows using estimates of inflation and a credit-adjusted discount rate. The undiscounted amount of cash flows required to settle the reclamation obligations was estimated at $8,993 as at June 30, 2024 (December 31, 2023 – $8,993).

The key assumptions on which the provision estimates were based in the periods ended June 30, 2024 and December 31, 2023 are:

- Expected timing of the cash flows occurs between 2023-2041 based on the expected activities of True North.
- The inflation rate used for the period ended June 30, 2024 is 2.96% (year ended December 31, 2023 – 2.96%).
- The discount rate used for the period ended June 30, 2024 is 6.96% (year ended December 31, 2023 – 6.96%).

The following table provides a summary of changes in the reclamation obligations:

	$
Balance at December 31, 2022	2,458
Accretion expense	179
Change in estimate	82
Balance at December 31, 2023	2,719
Accretion expense	92
BALANCE AT JUNE 30, 2024	**2,811**

(Unaudited - expressed in thousands of Canadian dollars)

13. SHARE CAPITAL

a) **Authorized:** Unlimited common shares without par value.

b) Shares issued

During the six months ended June 30, 2024, no shares were issued.

During the year ended December 31, 2023:

The Company completed a private placement raising gross proceeds of $3,898 (the "Offering"). The Offering was comprised of 51,562,500 non-flowthrough units of the Company (the "Units") at $0.06 per Unit for total proceeds of $3,094. Each Unit consisted of one common share of the Company and one warrant (a "**Warrant**"), with each Warrant exercisable to purchase one common share of the Company at $0.10 per share for 24 months from the closing date of the Offering. The Offering also included 8,927,392 flow through units issued in two tranches with tranche one consisting of 2,260,715 flow-through units ("FT Units") for gross proceeds of $158, with each FT Unit comprised of one flow-through common share ("FT Share") and one flow-through warrant ("FT Warrant") exercisable to purchase one common share of the Company at $0.10 per share for 24 months from the closing date of the Offering, and tranche two consisting of 6,666,667 flow-through units ("Manitoba FT units") of the Company issuable to residents in Manitoba at $0.097 per Manitoba FT Unit for total proceeds of $648. Each Manitoba FT Unit comprised of one FT Share and one FT Warrant.

On November 17, 2023, the Company negotiated the settlement of $357 related to accounts payable in consideration for the issuance of 4,753,333 common shares of the Company at a fair value of $357. On December 27, 2023, the Company negotiated the settlement of $91 related to accounts payable in consideration for the issuance of 1,022,125 common shares of the Company at a fair value of $76. A gain on shares issued for debt of $15 was recorded.

c) Options

The Company has adopted a share option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive share options to directors, officers, employees, and consultants to the Company. Share options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

The options vest as to one-third immediately and one-third after the first and second anniversary of the date of grant, with the exception of 300,000 options granted on June 14, 2024 that vest four months after the date of grant.

The Company's share options outstanding as at June 30, 2024 and December 31, 2023 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		$
Balance as at December 31, 2022	5,536,668	0.43
Granted – August 28, 2023	1,710,000	0.10
Expired	(1,540,000)	0.36
Forfeited	(400,000)	0.49
Balance as at December 31, 2023	5,306,668	0.35
Granted – April 14, 2024	875,000	0.11
Granted – June 14, 2024	400,000	0.09
Expired	(575,000)	0.36
BALANCE AS AT JUNE 30, 2024	**6,006,668**	**0.28**

(Unaudited - expressed in thousands of Canadian dollars)

The total share-based payment expense recorded during the three and six months ended June 30, 2024 was $41 and $61 respectively (2023: $13 and $46).

The following table summarizes information about the share options as at June 30, 2024:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years)	Weighted average exercise price of options exercisable	Number of options exercisable	Expiry date
$0.30	831,668	0.24	$0.30	831,668	September 27, 2024
$0.77	275,000	1.10	$0.77	275,000	August 5, 2025
$0.78	540,000	1.16	$0.78	540,000	August 27, 2025
$0.35	750,000	2.59	$0.35	750,000	February 2, 2027
$0.40	300,000	2.71	$0.40	300,000	March 15, 2027
$0.38	450,000	2.75	$0.38	450,000	April 1, 2027
$0.09	300,000	2.96	–	–	June 14, 2027
$0.10	1,585,000	4.16	$0.10	528,333	August 28, 2028
$0.11	875,000	4.79	$0.11	291,666	April 15, 2029
$0.09	100,000	4.96	$0.09	33,333	June 14, 2029

The fair value of options recognized has been estimated using the Black-Scholes Option Pricing Model with the following assumptions on the grant date of the options:

Grant date	Expected Option life (years)	Risk-free interest rate	Dividend yield	Expected volatility[1]	Weighted average fair value
August 28, 2023	5.00	3.90%	Nil	75%	$0.05
April 15, 2024	5.00	3.74%	Nil	75%	$0.07
June 14, 2024	3.00	3.77%	Nil	75%	$0.04
June 14, 2024	5.00	3.41%	Nil	75%	$0.05

[1] The expected volatility was calculated by taking the average volatility of similar junior resource companies.

d) Warrants

The Company's warrants outstanding as at June 30, 2024 and December 31, 2023 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		$
Balance as at December 31, 2022	1,987,813	1.94
Issued	60,489,882	0.10
Expired	(737,813)	0.50
BALANCE AS AT DECEMBER 31, 2023 AND JUNE 30, 2024	**61,739,882**	**0.16**

(Unaudited - expressed in thousands of Canadian dollars)

The balance of warrants outstanding as at June 30, 2024 is as follows:

Expiry Date	Exercise Price	Remaining Life (Years)	Warrants Outstanding
December 22, 2025	$0.10	1.48	60,489,882
February 11, 2029	$1.52	4.62	625,000
April 3, 2032	$4.24	7.76	625,000

14. SEGMENT INFORMATION

The Company's has one operating segment, the Rice Lake property, which is located in Manitoba, Canada. All non-current assets are located within this operating segment. One customer represented 100% of the revenue in 2023.

15. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management includes directors and executive officers of the Company. During the three and six months ended June 30, 2024 and 2023, the Company incurred the following charges by key management of the Company and by companies controlled by them:

	Three months ended June 30,		Six months ended June 30,	
	2024 $	2023 $	2024 $	2023 $
Salaries and wages	150	87	289	190
Professional fees	18	21	23	41
Director fees	18	39	35	79
Share–based payments	21	11	34	35
	207	**158**	**381**	**345**

Of the $289 in salaries and wages, $195 was recorded in salaries and benefits expense and $94 in exploration and evaluation expense (2023 – $125 and $65 respectively).

As at June 30, 2024, $204 was owing to directors, officers or companies controlled by them related to their director fees, salaries, and professional fees (December 31, 2023 - $245).

Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

16. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders, and to explore and develop assets with a view to building a diversified mineral resource company.

The capital structure of the Company consists of equity attributable to common shareholders of $29,719.

The Company manages the capital structure and adjusts it based on changes in economic conditions and the risk characteristics of the mineral property assets. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or sell assets to fund activities. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the six months ended June 30, 2024.

Financial Instruments

Fair value

Financial instrument disclosures establish a fair value hierarchy that requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Company primarily applies the market approach for recurring fair value measurements. This section describes three input levels that may be used to measure fair value:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide information on an ongoing basis.

Level 2 – quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – unobservable inputs that are supported by little or no market activity.

The Company's financial instruments consist of cash, restricted cash, marketable securities, accounts payable and accrued liabilities. The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments. Marketable securities are recorded at FVTPL and are measured at fair value using Level 1 inputs. There have been no movements between levels of the fair value hierarchy during the six months ended June 30, 2024.

The Company's activities potentially expose it to a variety of financial risks, including liquidity risk, credit risk and market risk. These risks are described below and have not changed during the six months ended June 30, 2024.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset (see Note 1). The Company closely monitors and reviews its costs incurred and actual cash flows against the approved budget on a monthly basis to ensure the Company's access to funds is adequate to support the Company's operations on an ongoing basis. The Company expects to be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for at least twelve months from period end. At June 30, 2024, the Company had working capital (current assets less current liabilities) of $960 (December 31, 2023 – $1,627). Future operations or exploration programs will require additional financing primarily through equity markets or other forms of financing such as joint venture partnerships.

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. Credit risk arises from cash and restricted cash eld with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company considers credit risk with respect to its cash and restricted cash to be immaterial as cash is held through large Canadian financial institutions.

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 other price risk. There has been no change to this risk during the six months ended June 30, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances, interest-bearing bank accounts and no interest-bearing debt. Therefore, the Company considers this risk to be immaterial.

Currency risk

Currency risk is the risk that future cash flows will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to other price risk in respect of its marketable securities.

17. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not require the use of cash are excluded from the consolidated statement of cash flows.

During the six months ended June 30, 2024 and 2023 no transactions were excluded from the statement of cash flows.

The Company paid or accrued $nil for income taxes during the six months ended June 30, 2024 (2023 - $nil).

18. COMMITMENTS AND CONTINGENCIES

True North Mine Closure Plan and Financial Security

In connection with the Company's reclamation obligations (Note 12), the Company is obligated to provide financial security to the Province of Manitoba. In 2021 the Company provided partial financial security through the provision of a third-party surety for $800 which included a cash deposit of $400 held by the third-party surety provider with the remaining $400 covered by the surety insurance. This cash deposit is included in restricted cash on the Consolidated Statements of Financial Position. In addition to the financial security amounts to be added to the surety above, the Company will pledge certain physical assets, notably the plant and equipment, as security against the entirety of the reclamation obligations, until such time as the financial security adequately covers the closure costs.

19. SUBSEQUENT EVENTS

Subsequent to June 30, 2024, the Company granted the following common share purchase options:

- 200,000 common share purchase options at an exercise price of $0.11 were granted on July 8, 2024, expiring on July 8, 2029 and vesting 1/3 immediately and 1/3 on the one year anniversary, and 1/3 on the second year anniversary of the date of grant.
- 250,000 common share purchase options at an exercise price of $0.11 were granted on August 7, 2024, expiring on August 7, 2029 and vesting 1/2 immediately and 1/2 on the one year anniversary of the date of grant.

Subsequent to June 30, 2024, the Company issued:

- 103,647 DSUs to four directors under the LTIP in respect of Q2-2024 director fees.
- 183,300 common shares from the exercise of 183,300 warrants.