K2 Gold Corporation

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

Notice of Non-review of Condensed Interim Consolidated Financial Statements

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The attached condensed interim consolidated financial statements for the nine months ended September 30, 2024 have not been reviewed by the Company's auditors.

K2 Gold Corporation
Condensed Interim Consolidated Statements of Financial Position
For the Nine Months Ended September 30, 2024 and 2023
(Amounts expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note		September 30, 2024		December 31, 2023
Assets					
Current Assets					
Cash and cash equivalents		$	175,867	$	195,160
Amounts receivable			48,989		44,785
Prepaid expenses			58,090		53,265
			282,946		293,210
Exploration and evaluation assets	4,12		17,780,738		16,407,714
Reclamation Bond	4		67,495		66,130
TOTAL ASSETS		$	18,131,179	$	16,767,054
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accrued liabilities	9	$	264,564	$	148,361
Flow through premium liability	11		7,199		109,460
CEBA Loan	8		-		40,000
			271,763		297,821
Shareholders' Equity					
Share capital	5		32,118,976		30,506,689
Reserves	5		7,687,849		7,396,855
Deficit			(21,947,409)		(21,434,311)
			17,859,416		16,469,233
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	18,131,179	$	16,767,054

Nature of operations and going concern (Note 1)
Commitments (Note 10)
Subsequent Event (Note 13)

Approved on behalf of the Board of Directors on November 27, 2024

*"Jim Paterson"*________, Director

*"Carolyn Loder"*___________, Director

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

K2 Gold Corporation
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Nine Months Ended September 30, 2024 and 2023
(Amounts expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

			Three Months Ended September 30, 2024		Three Months Ended September 30, 2023		Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023
Expenses									
Advertising, marketing and promotion		$	29,040	$	31,249	$	107,611	$	148,432
Corporate listing and filing fees			13,872		18,545		48,131		43,416
Office and administration			17,171		34,043		78,084		106,500
Personnel	9		78,067		76,934		229,660		256,986
Professional fees			11,751		17,625		32,186		40,310
Property investigation			-		-		-		13,515
Rent	9,10		19,940		16,853		54,992		50,558
Share-based compensation	5,9		-		88,929		8,946		265,360
Travel and conferences			4,334		79,059		82,371		169,060
			(174,175)		(363,237)		(641,981)		(1,094,137)
Other Income (Expenses)									
Other income			-		-		9,925		-
Interest income			1,104		14,229		9,461		66,653
Amortization of FT Premium Liability			19,761		189,237		102,261		189,237
CEBA loan income	8		-		-		10,000		-
Foreign exchange gain (loss)			(3,120)		(4,702)		(2,764)		(8,594)
Loss for the Period			(156,430)		(164,473)		(513,098)		(846,841)
Comprehensive loss for the period		$	(156,430)	$	(164,473)		(513,098)		(846,841)
Loss per share – basic and diluted		$	(0.001)	$	(0.002)		(0,005)		(0.010)
Weighted average number of common shares outstanding – basic and diluted			113,261,800		92,537,199		108,352,311		87,265,654

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

K2 Gold Corporation
Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2024 and 2023
(Amounts expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

Cash Provided By (Used In):		**Nine months ended September 30, 2024**		**Nine months ended September 30, 2023**
Operating activities:				
Net loss for the period	$	(513,098)	$	(846,841)
Items not involving cash:				
Amortization of FT Premium liability		(102,261)		(189,237)
Share based compensation		8,946		265,360
Foreign exchange		(1,365)		120
Change in non-cash working capital items:				
Accounts receivable		(4,204)		(130,303)
Prepaid expenses		(4,825)		(46,590)
Accounts payable and accrued liabilities		116,203		17,329
		(500,604)		(930,161)
Investing activities:				
Government grant		-		7,500
Exploration and evaluation expenditures		(1,373,024)		(3,255,365)
		(1,373,024)		(3,247,865)
Financing activities:				
Proceeds from issuance of shares		1,995,000		4,997,542
Share issue costs		(100,665)		(269,654)
Repayment of CEBA loan		(40,000)		-
		1,854,335		4,727,888
Change in cash and cash equivalents		(19,293)		549,862
Cash and cash equivalents, beginning of the period		195,160		313,217
Cash and cash equivalents, end of the period	$	175,867	$	863,079

Cash and cash equivalents consist of:				
Cash	$	91,371	$	779,369
Cash equivalents	$	84,496	$	83,710
Cash paid during the period for interest	$	-	$	-
Cash paid during the period for income taxes	$	-	$	-

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

K2 Gold Corporation

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
For the Nine Months Ended September 30, 2024 and 2023
(Amounts expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital				
	Number of Shares	Amount	Reserves	Deficit	Total
Balance December 31, 2022	**64,848,634**	**$ 26,761,673**	**$ 6,404,454**	**$ (20,355,310)**	**$ 12,810,817**
Private placement – non flow through	23,976,500	$ 3,018,248	$ 578,227	-	$ 3,596,475
Private placement – flow through	8,756,666	1,401,067	-	-	1,401,067
Private placement – flow through premium	-	(350,267)	-	-	(350,267)
Share issuance costs – non-cash	-	(110,479)	110,479	-	-
Share issuance costs – cash	-	(269,653)	-	-	(269,653)
Share based compensation	-	-	265,360	-	265,360
Loss for the period	-	-	-	(846,841)	(846,641)
Balance, September 30, 2023	**97,581,800**	**$ 30,450,588**	**$ 7,358,520**	**$ (21,202,150)**	**$ 16,606,958**
Balance December 31, 2023	**98,061,800**	**$ 30,506,689**	**$ 7,396,855**	**$ (21,434,311)**	**$ 16,469,233**
Share-based compensation	-	-	8,946	-	8,946
Private placement – non-flow-through	19,950,000	1,727,493	267,507	-	1,995,000
Share issuance costs – cash	-	(100,665)	-	-	(100,665)
Share issuance costs - finders fees	-	(14,541)	14,541	-	-
Loss for the period	-	-	-	(513,098)	(513,098)
Balance, September 30, 2024	**118,011,800**	**32,118,976**	**7,687,849**	**(21,947,409)**	**17,859,416**

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

1. Nature of Operations and Going Concern

K2 Gold Corporation ("K2 Gold", "K2" or the "Company") was incorporated on May 3, 2011, pursuant to the Business Corporations Act of British Columbia, Canada. The Company's head office is located at Suite 1020 – 800 West Pender St., Vancouver, BC, V6C 2V6. The Company's common shares are publicly listed on the Toronto Stock Exchange's Venture Exchange (the "Exchange") under the symbol "KTO".

K2 Gold is an exploration stage company with its primary focus being the exploration of mineral properties in California, the Yukon Territory, and Alaska.

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop its property and the ultimate realization of profits through future production or sale of its property. Realized values may be substantially different than carrying values as recorded in these consolidated financial statements.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2024, the Company had not achieved profitable operations and had an accumulated deficit of $21,947,409. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated 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.

Although the Company has been successful in the past in obtaining financing, 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 from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities

2. Basis of Presentation

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") in effect at September 30, 2024 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2023.

In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2024.

b) Approval of the consolidated financial statements

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 27, 2024.

c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its consolidated financial statements.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

d) Basis of consolidation:

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries K2 Gold Alaska, Inc. ("K2 Gold Alaska") and Mojave Precious Metals Inc. ("Mojave Precious Metals"). The financial statements of K2 Gold Alaska and Mojave Precious Metals are included in the condensed interim consolidated financial statements from the date on which control was transferred to the Company. 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. All significant intercompany accounts and transactions have been eliminated on consolidation.

3. Significant Accounting Policies

The Company's accounting policies are described in Note 3 to the consolidated financial statements for the year ended December 31, 2023. Management considers the following to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and future cash flow.

Critical accounting judgments, estimates and assumptions

Key sources of estimation uncertainty

Exploration and evaluation assets

Exploration and evaluation costs are initially capitalized as intangible exploration assets with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding whether the carrying amount of intangible exploration assets exceeds its recoverable amount.

Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Deferred tax assets and liabilities

The measurement of a deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized.

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company's deferred tax assets and tax provisions could be affected.

(Amounts expressed in Canadian Dollars)

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based compensation expense for the nine months ended September 30, 2024 and year ended December 31, 2023 are disclosed in Note 5.

4. Exploration and Evaluation Assets

Mojave Gold Project:	**Acquisition Costs**	**Deferred Exploration**	**Total**
Balance, December 31, 2022	**$ 2,123,160**	**$ 7,020,288**	**$ 9,143,448**
Shares issued	57,600	-	57,600
Geology	-	97,167	97,167
Land use & Licenses	-	406,280	406,280
Legal Permitting	-	24,831	24,831
Travel	-	6,520	6,520
Balance, December 31, 2023	**$ 2,180,760**	**$ 7,555,086**	**$ 9,735,846**
Geology	-	306,748	306,748
Aviation	-	287	287
Land use and Licenses	-	461,991	461,991
Legal Permitting	-	17,898	17,898
Travel	-	17,283	17,283
Balance, September 30, 2024	**$ 2,180,760**	**$ 8,359,293**	**$ 10,540,053**

Cerro Gordo Gold Project:	**Acquisition Costs**	**Deferred Exploration**	**Total**
Balance, December 31, 2022	**$ 62,344**	**$ 13,242**	**$ 75,586**
Balance, December 31, 2023	**$ 62,344**	**$ 13,242**	**$ 75,586**
Geology	-	9,695	9,695
Land use and Licenses	-	16,604	16,604
Travel	-	1,597	1,597
Balance, September 30, 2024	**$ 62,344**	**$ 41,138**	**$ 103,482**

Si2 Gold Project:	**Acquisition Costs**	**Deferred Exploration**	**Total**
Balance, December 31, 2022	**$ 62,370**	**$ 181,443**	**$ 243,813**
Cash payment	133,210	-	133,210
Geology & drilling	-	1,805,938	1,805,938
Aviation	-	409	409
Travel	-	273,006	273,006
Balance, December 31, 2023	**$ 195,580**	**$ 2,260,796**	**$ 2,456,376**
Geology	-	21,874	21,874
Aviation	-	96	96
Land use and Licenses	-	68,820	68,820
Travel	-	41,086	41,086
Balance, September 30, 2024	**$ 195,580**	**$ 2,392,672**	**$ 2,588,252**

(Amounts expressed in Canadian Dollars)

Wels Property:	**Acquisition Costs**	**Deferred Exploration**	**Total**
Balance, December 31, 2022	**$ 1,517,557**	**$ 1,605,846**	**$ 3,123,403**
Advanced royalty payment	20,000	**-**	20,000
Geology & drilling	-	657,948	657,948
Aviation		221,421	221,421
Land use & licenses		5,985	5,985
Travel	-	118,649	118,649
Government grant recovery	-	(7,500)	(7,500)
Balance, December 31, 2023	**$ 1,537,557**	**$ 2,602,349**	**$ 4,139,906**
Geology	-	369,496	369,496
Aviation	-	28,909	28,909
Legal (Permitting)		6,669	6,669
Travel	-	3,970	3,970
Balance, September 30, 2024	**$ 1,537,557**	**$ 3,011,393**	**$ 4,548,950**

Total Exploration and Evaluation:	**Acquisition Costs**	**Deferred Exploration**	**Total**
Balance, December 31, 2023	**$ 3,976,241**	**$ 12,431,473**	**$ 16,407,714**
Balance, September 30, 2024	**$ 3,976,241**	**$ 13,804,497**	**$ 17,780,738**

Mojave Gold Project

On July 12, 2019, K2 signed an option agreement to acquire a 100% interest in the Mojave Gold Project ("Mojave Project"), with the option agreement subsequently amended on June 14, 2022.

To earn 100% of the Mojave Project, the Company must make staged cash and share payments as listed below:

		Cash option payments		**Common shares issuance**	
July 12, 2019 (Effective date)	US$	112,500	paid	480,000	issued
6-months from the effective date		112,500	paid		
12-months from the effective date		125,000	paid	480,000	issued
18-months from the effective date		125,000	paid		
24-months from the effective date		150,000	paid	480,000	issued
30-months from the effective date		150,000	paid		
August 31, 2023		25,000	paid	480,000	issued
August 31, 2023*		150,000			
February 29, 2024*		175,000			
August 31, 2024*		275,000		480,000	
Total	**US$**	**1,400,000**		**2,400,000**	

* On August 18, 2023, the vendor agreed to defer the remaining three cash option payments until certain milestones are achieved.

In addition, following the exercise of its option, K2 has agreed to make an annual pre-production payment of US$275,000 per year beginning on August 31, 2025, and continuing annually until the achievement of commercial production, and to grant a 3% net smelter returns royalty ("NSR") with respect to all mineral produced from the Mojave Project, subject to a minimum annual royalty payment following commercial production of US$300,000. The royalty will be subject to certain buy-down rights in K2's favour. K2 may terminate the agreement at any time during the option period.

(Amounts expressed in Canadian Dollars)

In August 2020, the Company was required to post a bond in the amount of $67,665 ($50,000 USD), (2022 - $62,480- ($50,000 USD)) with the Bureau of Land Management ("BLM") for reclamation work associated with the Mojave Property.

Cerro Gordo Project

On August 11, 2021, the Company signed an option agreement to acquire a 100% interest in the Cerro Gordo Gold Project ("Cerro Gordo Project"), located adjacent to the Company's Mojave Project in Inyo County, California. The option agreement was subsequently amended, extending all outstanding payments. The next payment is due by December 31, 2024, and the subsequent payments are due as per the updated table below.

To earn 100% of the Cerro Gordo project the Company must make staged cash payments as listed below:

		Cash option payments			Work commitment
July 30 2021 (Effective date)	US$	10,000	(paid)		-
60 days from the effective date (Closing date)		40,000	(paid)		-
December 31, 2024		25,000			-
July 30, 2025		75,000		US$	25,000
July 30, 2026		75,000			25,000
July 30, 2027		75,000			25,000
July 30, 2028		75,000			25,000
July 30, 2029		250,000			-
Total	**US$**	**625,000**		**US$**	**100,000**

In addition, a bonus payment of US$500,000 is payable following the completion of a Bankable Feasibility Study.

Commencing in the year following the second anniversary of the Closing date and continuing for four years thereafter, the Company has agreed to expend a minimum of US$25,000 annually on exploration, development, and mining work on the Cerro Gordo Project claims, for an aggregate amount of at least US$100,000 over the four-year period. In addition, K2 has granted the vendor a 3% NSR royalty with respect to all mineral produced from the Cerro Gordo Project. The Company can repurchase half of the NSR for US$1,000,000. The Company may terminate the agreement at any time during the option period.

Si2 Gold Project

On January 19, 2022, the Company signed an option agreement with Orogen Royalties Inc. ("Orogen"), to earn a 100% interest, subject to a 2% NSR, in Orogen's Si2 gold project, formerly known as the Elba project, in Nevada, USA (the "Si2 Gold Project" or "Si2").

To earn 100% of the Si2 Project the Company must make staged cash payments and incur exploration expenditures as listed below:

(Amounts expressed in Canadian Dollars)

			Cash		Work Commitment (Cumulative)
Signing Date (January 18, 2022) Paid	US$	$	50,000	$	-
January 18, 2023 (Paid and incurred)		$	100,000	$	150,000 (Incurred)
January 18, 2024**		$	100,000	$	650,000 (Incurred)
January 18, 2025		$	250,000	$	1,250,000
January 18, 2026		$	500,000	$	1,750,000
January 18, 2027		$	1,500,000	$	2,500,000
Total	**US$**	**$**	**2,500,000**	**$**	**$2,500,000**

Orogen will retain a 2% NSR royalty once the Company has exercised the option. The Company has agreed to make $50,000 annual payments, commencing on the first anniversary of the exercise of the option.

** During the period ended September 30, 2024, the Company has paid $50,000 of the $100,000 owed and is currently negotiating with the vendor to settle the remaining $50,000 in the coming months.

Wels Property

The Company signed a definitive option agreement with Go Metals Corp. “Go Metals” (formerly “Go Cobalt Mining Corp.”) on August 11, 2016, subsequently amended, to acquire a 90% joint venture interest in certain mineral property interests located in the Yukon Territory, known as the “Wels Property”. To earn its interest, the Company made cash payments aggregating $350,000 staged over 24 months and issued 3,000,000 common shares staged over a 30-month period.

Upon completion of the payments and share issuances, the Company and Go Metals will proceed under the terms of a joint venture agreement (the “Joint Venture”). Under the Joint Venture, the Company will fund the project fully through completion of a preliminary economic assessment, following which project expenditures will be funded on a 90/10 proportionate basis between the Company and Go Metals, respectively, with the Company acting as project manager and holding voting control of the Joint Venture project committee. If, at any time, either party’s Joint Venture interest is diluted to less than 1% that diluted party’s interest will be cancelled, and the Joint Venture will terminate.

The Wels Property is subject to 3% NSR royalty governed by a 2011 agreement between Go Metals and two arm’s length holders. The royalty agreement provides that 2% of the 3% NSR may be purchased from the royalty holders for cash payment of $1,500,000. Pursuant to the option agreement, the Company will pay the $20,000 annual advance royalty due under the 2011 agreement. Pursuant to the option agreement a $20,000 annual advance royalty was paid in 2024 (2023 - $20,000).

5. Share Capital

a) Authorized Share Capital

As at September 30, 2024, the authorized share capital comprised an unlimited number of common shares without par value.

As at September 30, 2024, the Company has 118,011,800 (December 31, 2023 – 98,061,800) common shares outstanding.

b) Issued Share Capital

Transactions for the nine months ended September 30, 2024

On February 15, 2024, the Company completed a private placement financing by issuing a total of 10,450,000 units at a price of $0.10 per unit, for aggregate gross proceeds of $1,045,000. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of $0.30 per share for a period of 12 months.

In connection with this private placement, the Company paid $56,340 for share issuance costs and issued 563,400 warrants exercisable for 12 months from the date of issuance to acquire common shares of the Company at an exercise price of $0.30 per share. Finders' warrants have the same terms as the unit warrants. These warrants were valued at $133,475 at grant date. The fair value of warrants was determined using the Black-Scholes pricing model with an average risk-free rate of 4.24%, expected stock price volatility of 116.73% and average expected life of 1 year.

On August 15, 2024, the Company closed the first tranche of the non-brokered private placement whereby the Company has issued 9,500,000 units at a price of $0.10 per share for total gross proceeds of up to $950,000. Each unit consists of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of $0.30 per share for a period of 12 months from the date of issuance subject to an acceleration clause.

In connection with this private placement, the Company paid $41,700 for share issuance costs and issued 417,000 warrants exercisable for 12 months from the date of issuance to acquire common shares of the Company at an exercise price of $0.30 per share. Finders' warrants have the same terms as the unit warrants. These warrants were valued at $134,032 at grant date. The fair value of warrants was determined using the Black-Scholes pricing model with an average risk-free rate of 3.31%, expected stock price volatility of 121.78% and average expected life of 1 year.

Subsequent to the period ended September 30, 2024, the Company closed the second/final tranche of the non-brokered private placement, issuing 7,925,000 units for gross proceeds of $792,500. Each unit consists of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of $0.30 per share for a period of 12 months from the date of issuance subject to an acceleration clause.

Transactions for the nine months ended September 30, 2023

On August 22, 2023 the Company announced the closing of a non-brokered private placement. Total gross proceeds raised was $1,401,067 consisting of 8,756,666 charity flow through shares offered at a price of $0.16 per charity flow through share.

The Company paid finders fees to arm's length finders totalling $49,032. In addition, $9,196 was paid for cash share issuance costs. Total cash share issuance costs was $58,228.

On February 1, 2023 the Company completed a non-brokered private placement financing by issuing a total of 23,976,500 units at a price of $0.15 per unit, for aggregate gross proceeds of $3,596,475.

Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each warrant is exercisable to acquire one share at a price of $0.30 per share for a period until February 1, 2025.

The Company paid finders fees to arm's length finders totaling $188,479 and issued 1,256,530 broker warrants exercisable for 24 months from the date of issuance to acquire common shares of the Company at an exercise price of $0.30 per share. In addition, $22,947 was paid for cash share issuance costs Total cash share issuance costs was $211,426.

c) Warrants

The warrants activity is summarized below:

(Amounts expressed in Canadian Dollars)

Details of outstanding warrants are as follows:	Number of Warrants	Weighted Average Exercise Price
Outstanding warrants, December 31, 2022 and 2023	13,244,780	$ 0.30
Issued	20,930,400	$ 0.30
Outstanding warrants, September 30, 2024	34,175,180	$ 0,30

At September 30, 2024, the Company had outstanding warrants enabling the holders to acquire common shares as follows:

Expiry Date	Weighted Average Exercise Price	Number of Warrants	Weighted Remaining Contractual Life (in Years)
February 11, 2025	$0.30	13,244,780	0.34
February 15, 2025	$0.30	11,013,400	0.38
August 15, 2025	$0.30	9,917,000	0.87
Weighted average exercise price and remaining contractual life	$0.30	34,175,180	0.51

d) Stock Options

Under the Company's stock option plan, the board of directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the board of directors and expire no later than ten years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one common share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by the Exchange.

During the year ended December 31, 2023, the Company granted a total of 2,775,000 stock options.

The changes in stock options issued are as follows:

	Number of stock options	Weighted Average Exercise Price
Outstanding, December 31, 2022	5,845,000	$0.25
Granted	2,775,000	$0.15
Outstanding December 31, 2023	8,620,000	$0.22
Expired	(150,000)	$0.22
Outstanding September 30, 2024	8,470,000	$0.22

Share-based compensation relating to options vested during the nine months ended September 30, 2024 using the Black-Scholes option pricing model was $8,946 (2023 –$265,360), which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statement of loss and comprehensive loss.

The estimated grant date fair value of the options granted during 2023 and 2024 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024 Stock Options	2023 Stock Options
Number of options granted	Nil	2,775,000
Risk-free interest rate	Nil	3.10%
Expected annual volatility	Nil	106%
Expected life	Nil	5 years
Expected dividend yield	Nil	0%
Grant date fair value per option	Nil	$0.11
Share price at grant date	Nil	$0.14

(Amounts expressed in Canadian Dollars)

As at September 30, 2024, the Company had outstanding options enabling the holders to acquire common shares as follows:

Expiry Date	Options outstanding	Options exercisable	Exercise price	Weighted Remaining Contractual Life (in Years)
October 30, 2024	1,400,000	1,400,000	$0.27	0.08
February 20, 2025	100,000	100,000	$0.23	0.39
September 28, 2025	400,000	400,000	$0.71	0.99
May 13, 2026	945,000	945,000	$0.32	1.62
May 13, 2027	2,850,000	2,850,000	$0.15	2.62
May 1, 2028	2,775,000	2,081,250	$0.15	3.59
	8,470,000	7,776,250	$0.22	2.30

6. Financial Instruments

a) Fair values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash and cash equivalents, amounts receivable and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. The fair value of the Company's reclamation bond and CEBA loan approximate carrying value due to the use of market rates, which is the amount recorded on the statements of financial position.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable. The Company's maximum exposure to credit risk is the carrying amount of its cash and receivables.

Cash and cash equivalents are held with major Canadian financial institutions and amounts receivable primarily consist of GST recoverable are from Government entities. Management is of the view that all amounts are fully collectible.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations and commitments as they become due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at September 30, 2024, the Company has cash and cash equivalents of $175,867 to cover its current liabilities of $271,763. Refer to note 1 for further discussion over liquidity.

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and commodity and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

In the normal course of business, the Company enters into transactions for the purchase of supplies and services and acquisition of mineral properties, denominated in a currency other than the functional currency of the Company. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates, however Management estimates the risk to be insignificant. The Company has not entered into any derivative or other financial instruments to mitigate this foreign exchange risk. A 10% fluctuation in the US$ against the Canadian dollar would affect profit or loss by approximately $15,091 (2023 - $1,082).

e) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

7. 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 and benefits for shareholders and advance the exploration of its mineral properties.

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves, net of accumulated deficit.

The Company depends on external financing to fund its activities and may issue new equity instruments to maintain its capital structure. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2023. The Company is not subject to any externally imposed capital requirements.

8. CEBA loan

In June 2020, the Company secured a $40,000 interest-free operating line of credit after applying for the government-sponsored Canada Emergency Business Account ("CEBA") under the Government of Canada COVID-19 relief program.

Terms of the CEBA agreement:

i. The CEBA funds are intended for non-deferrable operating expenses, including but not limited to payroll, rent and insurance,

ii. If there is a balance outstanding after December 31, 2020, the remaining outstanding amount will be converted into a 2-year interest-free term loan effective January 1st, 2021,

iii. If $30,000 is repaid by January 18, 2024, $10,000 of the operating line will be forgiven,

(Amounts expressed in Canadian Dollars)

iv. On December 31, 2023, the Company may choose to exercise an option to extend the term loan for another 3 years at the rate of 5% per annum on any balance remaining.

As at September 30, 2024, the balance owing was $Nil (December 31, 2023 - $40,000). In the period ending September 30, 2024, the Company repaid the $30,000 due on January 18, 2024, and obtained $10,000 in loan forgiveness.

9. Related Parties

Key management compensation

Key management consists of the Company's directors and officers. In addition to management and consulting fees paid to these individuals, or companies controlled by these individuals, the Company provides non-cash benefits. Total key management compensation are as follows:

		Nine months ended September 30, 2024		Nine months ended September 30, 2023
Exploration and evaluation assets	$	135,000	$	106,092
Personnel		216,070		232,907
Share-based compensation		7,011		206,546
Total	$	358,081	$	545,545

Related party transactions and balances not disclosed elsewhere in these consolidated financial statements are as follows:

		Nine months ended September 30, 2024		Nine months ended September 30, 2023
Office rent (Vancouver, BC) [1]	$	24,159	$	34,358
Office rent (Squamish, BC) [2]		21,139		16,200
Total	$	45,298	$	50,558

([1]) Cost recovery payments made to a company related to key management.
([2]) Rental payments made to a Company owned by a key management person.

The balance payable to related parties at September 30, 2024 was $25,552 (December 31, 2023 - $Nil). These payables are generally unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

As at September 30, 2024 the balance of $30,000 (December 31, 2023 - $Nil) was due from CEO of the Company for the share subscription. This amount is included in accounts receivable. Amounts due from related parties are generally unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

10. Commitments

Lease

The Company entered into a lease agreement to rent an office space in Vancouver, BC, commencing August 1, 2024 to April 30, 2026 for $4,846.67 per month. In addition to the monthly rental payments, the Company is charged for the applicable GST costs.

(Amounts expressed in Canadian Dollars)

The future rental payments are required as follows:

2024	$14,540
2025	$58,160
2026	$19,387

The Company also entered into a lease agreement with a company owned by a key management person for office space in Squamish, BC, commencing August 1, 2024, and expiring on July 31, 2025 for $1,971.49 per month.

11. Flow Through Share Premium Liability

Flow-through share premium liabilities include the liability portion of the flow-through shares issued.

During the year ended December 31, 2023, the Company completed a non-brokered private placement financing by issuing a total of 8,756,666 charity flow-through shares at a price of $0.16 per charity flow-through share, for aggregate gross proceeds of $1,401,067. A flow-through share premium liability of $350,267 was recognized upon issuance. As eligible exploration expenditures are incurred the liability will be amortized to profit or loss.

At September 30, 2024 there was $28,797 (December 31, 2023 - $437,841) remaining flow-through to be spent.

During the period ended September 30, 2024, the Company recognized $102,261 (December 31, 2023 - $240,807) as income on reduction of the flow-through premium liability.

Balance at December 31, 2022	**$**	**-**
Liability incurred on flow-through shares		350,267
Settlement of flow-through share liability on incurring expenditures		(240,807)
Balance at December 31, 2023	**$**	**109,460**
Settlement of flow-through share liability on incurring expenditures		(102,261)
Balance at September 30, 2024	**$**	**7,199**

12. Segment Information

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. The Company's reclamation bond, exploration and evaluation assets and CEBA loan are located in Canada and the United States as follows:

		September 30, 2024		December 31, 2023
Exploration and evaluation assets				
Canada	$	4,548,953	$	4,139,907
United States		13,231,785		12,267,807
		17,780,738		16,407,714
	$	17,780,738	$	16,407,714

13. Subsequent Event

On October 24, 2024, the Company closed the second/final tranche of the non-brokered private placement, issuing 7,925,000 units for gross proceeds of $792,500. Each unit consists of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will be exercisable to acquire one share at a price of $0.30 per share for a period of 12 months from the date of issuance subject to an acceleration clause. The Company paid finders fees to arm's length finders totalling $46,350 and issued 463,500 warrants exercisable for 12 months from the date of issuance to acquire common shares of the Company at an exercise price of $0.30 per share. Finders' warrants have the same terms as the unit warrants.