PACIFIC RIDGE
exploration ltd.

(An Exploration-Stage Company)

Condensed Consolidated Interim Financial Statements

Three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

NOTICE TO READER

THE ISSUER'S AUDITORS HAVE NOT REVIEWED OR BEEN INVOLVED IN THE PREPARATION OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of Pacific Ridge Exploration Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

Condensed consolidated interim statements of Financial Position

(Unaudited - expressed in Canadian dollars)

	Note	(Unaudited) March 31, 2024	(Audited) December 31, 2023
Assets		**$**	$
Current			
Cash		**1,643,628**	541,840
Other receivables		**10,767**	80,983
Prepaid		**62,389**	49,241
		1,716,784	672,064
Equipment and furniture		**8,033**	9,425
Resource Properties	4	**4,359,878**	4,350,837
Reclamation bonds		**64,642**	64,642
Right-of-use assets	10	**41,067**	60,234
		6,190,404	5,157,202
Liabilities			
Current			
Trade payable and accrued liabilities		**59,645**	158,138
Financial liability	4(a)(iv)	**202,111**	249,177
Lease liabilities - current portion	10	**43,109**	58,396
Flow-through income tax liability	5(a)(viii), 13	**162,498**	162,342
		467,363	628,053
Lease liabilities - long-term portion	10	**115**	4,317
		467,478	632,370
Shareholders' equity			
Share capital	4(a)(i), 4(a)(iv), 5	**64,774,277**	63,182,638
Contributed surplus	5 (b & c)	**5,758,187**	5,752,729
Deficit		**(64,809,538)**	(64,410,535)
		5,722,926	4,524,832
		6,190,404	5,157,202

Nature of operations and going concern uncertainty	1
Subsequent events	13

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

Approved and authorized for issue on behalf of the Board of Directors on May 27, 2024

/s/ "Bruce Youngman"
Director

/s/ "Blaine Monaghan"
Director

Condensed consolidated interim statements of Loss and Comprehensive Loss

(Unaudited - expressed in Canadian dollars)

	Note	Three months ended March 31 2024	2023
Administration expenses		**$**	$
Amortization of right-of-use asset	10	**19,167**	10,171
Depreciation		**1,392**	1,051
Finance lease interest	10	**1,335**	1,571
Insurance		**12,825**	13,500
Professional and consulting		**2,416**	4,507
Management and administrative	7	**85,861**	102,745
Office operations and facilities		**26,752**	27,970
Shareholder communications		**67,005**	200,104
Share-based payments	5(c)	**5,458**	495,925
Transfer agent and regulatory fees		**20,233**	16,735
		242,444	874,279
Exploration-related expenses (income)			
Exploration and evaluation costs	4	**151,565**	296,948
Property option payments	4(b)(i)	**-**	(400,000)
		151,565	(103,052)
Other expenses (income)			
Interest		**4,345**	(57,050)
Foreign exchange loss		**649**	514
		4,994	(56,536)
Net loss		**(399,003)**	(714,691)
Other comprehensive income (loss):			
Net change in fair value of marketable securities	3	**-**	5,300
Total comprehensive loss		**(399,003)**	(709,391)
Loss per share (basic and diluted)		**(0.00)**	(0.01)
Weighted average number of shares outstanding basic and diluted		**132,849,797**	105,391,012

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

PACIFIC RIDGE exploration ltd.

Condensed consolidated interim statements of changes in shareholders' equity

(Unaudited - expressed in Canadian dollars)

	Note	Share capital		Contributed	Other comprehensive		
		Amount	Value	surplus	income (loss)	Deficit	Total
		#	$	$	$	$	$
Balance, December 31, 2022		103,968,790	58,086,829	5,340,343	(12,500)	(56,577,228)	6,837,444
Shares issued on exercise of warrants	5(a)(vii), 5(b)	4,000,000	682,145	(82,145)	-	-	600,000
Share issuance costs	5(a)	-	(2,052)	-	-	-	(2,052)
Share-based payments	5(c)	-	-	495,925	-	-	495,925
Unrealized loss in marketable securities	3	-	-	-	5,300	-	5,300
Net loss for the period		-	-	-	-	(714,691)	(714,691)
Balance, March 31, 2023		107,968,790	58,766,922	5,754,123	(7,200)	(57,291,919)	7,221,926
Non flow-through units issued for cash		3,672,667	661,080	-	-	-	661,080
Shares issued for property	4(c)(i), 5(a)(vi)	17,696,099	3,677,681	-	-	-	3,677,681
Shares issued on exercise of warrants	5(a)(vi), 5(b)	50,000	11,500	-	-	-	11,500
Shares issued on exercise of options	5(a)(ii), 5(c)	1,100,000	120,789	(54,789)	-	-	66,000
Share issuance costs	5(a)	-	(55,334)	-	-	-	(55,334)
Share-based payments	5(c)	-	-	53,395	-	-	53,395
Unrealized loss in marketable securities	3	-	-	-	(26,858)	-	(26,858)
Realized loss on sale of marketable securitie	3	-	-	-	34,058	(34,058)	-
Net loss for the year		-	-	-	-	(7,084,558)	(7,084,558)
Balance, December 31, 2023		130,487,556	63,182,638	5,752,729	-	(64,410,535)	4,524,832
Flow-through units issued for cash	5(a)(i)	7,469,679	709,620		-	-	709,620
Non flow-through units issued for cash	5(a)(i)	12,072,500	965,800				965,800
Share issuance costs	5(a)(i)	-	(83,781)	-	-	-	(83,781)
Share-based payments	5(c)			5,458	-		5,458
Net loss for the period		-	-	-	-	(399,003)	(399,003)
Balance, March 31, 2024		**150,029,735**	**64,774,277**	**5,758,187**	**-**	**(64,809,538)**	**5,722,926**

Condensed consolidated interim statements of cash flows

(Unaudited - expressed in Canadian dollars)

	Three months ended March 31	
	2024	2023
	$	$
Operating activities		
Loss for the period	**(399,003)**	(714,691)
Items not affecting cash:		
Right-of-use asset amortization	**19,167**	10,171
Depreciation of plant and equipment	**1,392**	1,051
Finance lease interest	**1,335**	1,571
Share-based payments	**5,458**	495,925
Unrealized foreign exchange	**292**	1,439
Property option recovery	**-**	(400,000)
Interest received	**4,345**	(57,050)
Changes in non-cash working capital items (note 12):	**(53,638)**	(142,883)
Cash used in operating activities	**(420,652)**	(804,467)
Investing activities		
Resource property acquisition costs	**(9,041)**	(28,868)
Acquisition of plant and equipment	**-**	(2,522)
Proceeds from property option payments	**-**	400,000
Interest received	**(4,345)**	57,050
Cash provided by investing activities	**(13,386)**	425,660
Financing activities		
Proceeds from flow-through private placement	**965,800**	-
Proceeds from non flow-through private placement	**709,620**	-
Proceeds from warrant exercises	**-**	600,000
Share issue costs	**(71,412)**	(2,052)
Amount expensed from advances received	**(47,066)**	(94,942)
Finance lease -principal payments	**(19,489)**	(9,469)
Finance lease -interest payments	**(1,335)**	(1,571)
Cash provided by financing activities	**1,536,118**	491,966
Effect of foreign exchange translation on cash	**(292)**	(1,439)
Increase (decrease) in cash	**1,101,788**	111,720
Cash, beginning of the period	**541,840**	7,813,084
Cash, end of the period	**1,643,628**	7,924,804
Supplementary information with respect to cash flows (note 12)		

1. Nature of operations and going concern uncertainty

Pacific Ridge Exploration Ltd. and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. (the "Company" or "Pacific Ridge") are in the business of acquiring and exploring resource properties in Canada and the United States. Pacific Ridge is incorporated and domiciled in Canada under the *Business Corporations Act* (British Columbia). The address of its registered office is 1710 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3. The administration office is Suite 1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary capital to finance operations including contributions from future joint venture partners. The carrying value of the Company's mineral properties does not reflect current or future value.

The Company's condensed consolidated interim financial statements have been prepared using accounting principles applicable to a going concern basis, which contemplates that the Company will be able to continue its operations for at least twelve months from March 31, 2024, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business as they come due. The Company has not generated revenue from operations to date and will require additional financing or outside participation to undertake further advanced exploration of its mineral properties, as well as for general administrative activities and operations. Future operations of the Company are dependent upon its ability to raise additional equity financing and maintain sufficient working capital and upon future production or proceeds from the dispositions of its mineral property interests.

As of March 31,2024, the Company had cash of $1,643,628, working capital of $1,249,421, which is calculated as current assets less current liabilities, and accumulated deficit of $64,811,531. For the three months ended March 31, 2024, the Company incurred a net loss of $399,003 and used cash in operating activities of $420,652. The Company's operations to date have been financed by the issuance of common shares, the exercise of share purchase warrants, and the exercise of stock options. During the three months ended March 31, 2024, the Company raised gross proceeds of $1,675,420 of which $709,620 are flow-through funds (note 5(a)) through a non-brokered private placement financing. Subsequent to March 31, 2024, the Company raised additional gross proceeds of $84,700 upon final closing of the non-brokered private placement (see note 13, *Subsequent events*). Despite this, there can be no assurance that the Company will be able to continue to secure additional financings in the future, and if it does, it cannot assure that the terms be favourable This gives rise to a material uncertainty that may raise 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 to the carrying values of the assets and liabilities, the reported expenses, and the statements of financial position classifications used that would be necessary should the Company be unable to continue as going concern. Such adjustments could be material.

2. Basis of preparation and summary of material accounting policies

a) Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2023.

The condensed consolidated interim financial statements were approved by the Board of Directors on May 27, 2024.

b) Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2023.

Management applies judgment in reviewing for impairment indicators the carrying value of the resource properties on a quarterly basis, or whenever events or circumstances indicate that their carrying value may not be recovered. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the resource properties is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management during the three months ended March 31, 2024.

(Unaudited - expressed in Canadian dollars)

3. Marketable securities

The Company owned a portfolio of marketable securities which had been received as part of option payments on properties owned or on option by the Company. During the year ended December 31, 2023, the Company disposed of all of these securities.

The fair value of the marketable securities owned by the Company was as follows:

	Four Nines Gold Common shares		Trifecta Gold Ltd. Common shares		Arctic Fox Ventures Common shares		Total
	Number	Fair value	Number	Fair value	Number	Fair value	Fair value
	#	$	#	$	#	$	$
Balance, December 31, 2022	60,000	33,000	200,000	10,000	33,334	1,833	44,833
Loss in fair value of securities	-	4,800	-	(3,000)	-	3,500	5,300
Balance, March 31, 2023	60,000	37,800	200,000	7,000	33,334	5,333	50,133
Gain (loss) in fair value of securities	-	(22,358)	-	-	-	(4,500)	(26,858)
Disposition of securities	(60,000)	(15,442)	(200,000)	(7,000)	(33,334)	(833)	(23,275)
Balance, December 31, 2023 and March 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**

4. Resource properties

The Company has interests in mineral properties in British Columbia and Yukon in Canada. A summary of capitalized acquisition costs is as follows:

	Company-owned properties					Properties on option from third parties		**Total**
	Kliyul BC	Redton BC	Onjo BC	Orbison BC	RDP BC	Chuchi BC	Chuchi South BC	
	$	$	$	$	$	$	$	$
Balance, December 31, 2022	35,000	35,000	410,255	12,261	76,949	33,323	-	602,788
Option payments in cash	-	-	-	-	(30,000)	-	-	(30,000)
Other payments in cash	-	-	-	-	-	6,893	50,000	56,893
Staking costs	-	-	1,975	-	-	-	-	1,975
Balance, March 31, 2023	35,000	35,000	412,230	12,261	46,949	40,216	50,000	631,656
Other payments in cash	-	-	-	-	-	10,000	-	10,000
Staking costs	31,500	-	-	-	-	-	-	31,500
Final acquisition in shares	3,569,181	-	-	-	108,500	-	-	3,677,681
Balance, December 31, 2023	**3,635,681**	**35,000**	**412,230**	**12,261**	**155,449**	**50,216**	**50,000**	**4,350,837**
Other payments in cash	-	-	-	-	-	9,041	-	9,041
Balance, March 31, 2024	**3,635,681**	**35,000**	**412,230**	**12,261**	**155,449**	**59,257**	**50,000**	**4,359,878**

(Unaudited - expressed in Canadian dollars)

4. Resource properties (continued)

In addition to the above capitalized acquisition costs, the Company has incurred the following exploration and evaluation expenses:

Property	Province / Territory	Three months ended March 31 2024	2023
		$	$
Kliyul	BC	**98,290**	122,846
Chuchi	BC	**13,015**	44,226
Mariposa	YT	**5,992**	5,953
Redton	BC	**4,006**	6,663
Chuchi South	BC	**1,042**	2,985
Onjo	BC	**841**	7,809
RDP - Project management fees charged by the Company *	BC	**(2,027)**	-
General exploration not allocated to a specific property		**30,406**	106,466
Total exploration expenses incurred by the Company:		**151,565**	296,948
* Additional exploration in RDP financed by Antofagasta:		**45,039**	64,942
* Company RDP opton obligations financed by Antofagasta:		**-**	30,000
Total exploration expenses		**196,604**	361,890

* During the three months ended March 31, 2024, $45,039 were incurred by Antofagasta (2023 - $64,942 plus $30,000 in a property option payment to the property's underlying owner).

A description of the relevant projects follows:

a) Company-owned properties:

i) Kliyul and Redton properties, British Columbia

On May 10, 2023, the Company entered into an agreement with AuRico to acquire a 100% interest in the Kliyul and Redton properties by issuing 16,996,099 common shares at a fair market value of $0.21 per share to AuRico (the "AuRico Agreement"). This AuRico Agreement replaces an earn-in property agreement (the "Kliyul-Redton Agreement") entered into on January 17, 2020, and amended on April 7, 2020, and on July 22, 2020, with AuRico.

At March 31, 2024, and since the start of exploration activities at Kliyul and Redton in 2020, the Company had incurred over $14,700,000 in exploration expenses at these projects.

The Kliyul property is subject to 2% net smelter return royalties. The Redton property is subject to (i) a 2.5% net smelter return royalty, with the right of reducing it to 1% for $2,000,000, and (ii) a 2% royalty.

(Unaudited - expressed in Canadian dollars)

4. Resource properties (continued)

a) Company-owned properties (continued):

ii) Onjo property, British Columbia

On January 27, 2022, the Company entered into an agreement to acquire a 100% interest in the Onjo copper-gold porphyry project in north-central British Columbia. The Company paid $50,000 in cash and issued 750,000 common shares with a fair value of $0.35 per share equivalent to $262,500. The vendor of Onjo retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD $1,500,000.

On February 22, 2022, the Company entered into an agreement to acquire a 100% interest in four internal claims at Onjo by paying $25,000 cash and issuing 250,000 common shares with a fair value of $0.265 per share equivalent to $66,250 to the vendor. With the acquisition of these claims, Pacific Ridge now owns 100% of the claims within the Project boundary.

iii) Orbison property, British Columbia

The Orbison project (also known as Gap project) is a reconnaissance porphyry Cu-Au exploration program in central British Columbia.

iv) RDP Property, British Columbia

On May 3, 2021 (amended on January 14, 2022), the Company entered into an agreement to acquire 100% of the RDP copper-gold porphyry project.

Under the terms of the Agreement, the Company has the option to earn a 100% interest in RDP by making payments as follows:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date (on or before)	Status
$	#	$		
5,000	100,000	-	Upon execution and regulatory approval	Completed
10,000	100,000	60,000	November 30, 2021	Completed
30,000	300,000	250,000	December 15, 2022	Completed
80,000	700,000	550,000	December 15, 2023	Completed
125,000	1,200,000	860,000		

The Company issued the remaining 700,000 shares at a fair market value of $0.155 per share during the year ended December 31, 2023, and now owns a 100% interest in RDP.

In addition, Pacific Ridge will issue 300,000 shares to the vendor on completion of 5,000 m of drilling and an additional 500,000 shares upon defining a 1,000,000 ounces of gold equivalent resource in the inferred or greater category. The property is also subject to a 2% NSR payable to the vendor, half of which can be purchased at any time for $1.5 million.

4. Resource properties (continued)

a) <u>Company-owned properties (continued):</u>

iv) RDP property, British Columbia (continued)

On February 10, 2022, the Company entered into an earn-in agreement on RDP (the "Agreement") with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC. Antofagasta can earn a 75% interest in RDP by making cash payments in an aggregate amount of $1,350,000, plus a success payment of $800,000 upon exercise of the option, and spending $10,000,000 on exploration over eight years, with a firm commitment to spend $1,000,000 in year one, and delivering a NI 43-101 compliant preliminary economic assessment report. During the option period, Antofagasta would fund all exploration and Pacific Ridge would be the initial operator.

During the year ended December 31, 2023, Antofagasta provided funding of $2,015,743 (USD $1,500,000) based on the projected 2023 project costs. During the same period $1,979,690 was incurred in exploration expense on behalf of Antofagasta and $110,000 was used to pay for the Company's property option payment obligations. The Company assessed operator's fees for $62,217 during the year.

As at March 31, 2024, an amount of $202,111 remained in Antofagasta's cash pool and remained as a financial liability in the Company's consolidated statement of financial position at March 31, 2024.

During the three months ended March 31, 2024, Antofagasta discontinued its option on the RDP property.

v) Mariposa property, Yukon

The Company acquired a 100% interest in the Mariposa property, Dawson Mining District, Yukon, in 2014. Between September 2016 and March 2019, the property was optioned to Four Nines Gold Inc. ("Four Nines"). The securities referred to in note 3 from Four Nines were received by the Company as part of the option payments.

On December 31, 2022, the Company set up an accrual of $50,000 for reclamation work. During 2023, reclamation work for $44,505 was carried out, with the remaining $5,495 remaining as an accrued liability at March 31, 2024, for further work to be done during 2024.

(Unaudited - expressed in Canadian dollars)

4. Resource properties (continued)

b) Company-owned properties sold to third parties

i) Fyre Lake property, Yukon

The Company owned a 100% interest in the Fyre Lake property, located in the Watson Lake Mining District, Yukon. On January 18, 2017, the Company closed an option agreement with BMC Minerals (No. 1) Ltd. ("BMC"), amended on December 19, 2018, on April 10, 2020, December 12, 2021, and on December 20, 2022, whereby BMC had the right to acquire a 100% interest in Fyre Lake by making payments totalling $3,375,000, which were received between 2017 and 2023. In addition, due to renegotiations, the Company received an additional $350,000 during that period.

On March 28, 2023, The Company received the final $400,000 cash payment from BMC. This was BMC’s last payment required to acquire a 100% interest in Fyre Lake.

As there was no carrying value for Fyre Lake on the Company’s statement of financial position, these payments were recorded as property option payments on the statement of loss and comprehensive loss.

c) Third party properties being optioned to the Company

i) Chuchi property, British Columbia

On May 6, 2022, the Company entered into a property earn-in agreement (the “Earn-In Agreement) with AuRico for the acquisition of up to a 75% interest in the Chuchi porphyry copper-gold project (“Chuchi”). The terms of the option agreement in order to acquire a 51% interest in Chuchi are as follows:

Cash payments to be made	Shares to be issued	Cumulative exploration expenses to be incurred	Due date (on or before)	Status
$	#	$		
10,000	-	-	Upon Exchange approval	Paid
-	-	150,000	May 06, 2023	Work incurred
-	-	750,000	May 06, 2024	
-	-	1,500,000	May 06, 2025	
50,000	2,000,000	2,600,000	May 06, 2026	
60,000	2,000,000	5,000,000		

(Unaudited - expressed in Canadian dollars)

4. **Resource properties** (continued)

c) Third party properties being optioned to the Company (continued)

i) Chuchi South property, British Columbia (continued)

The Company then has the right to increase its interest in Chuchi to 75% by making additional payments as follows:

Cash payments to be made	Shares to be issued	Cumulative exploration expenses to be incurred	Due date (on or before)	Status
$	#	$		
50,000	-	1,500,000	May 06, 2027	
50,000	1,500,000	3,500,000	May 06, 2028	
100,000	1,500,000	5,000,000		

Various claims are subject to up to 6% in net smelter royalties, which can be brought down to 2.1%. An annual royalty advance of $20,000 will be paid during the fourth quarter of each year until production is reached.

The Company also paid a finder's fee of $15,000 on signing of the agreement and will pay $5,000 every six months thereafter plus 2% on exploration expenditures after certain other property payments have been made.

During the year ended December 31, 2023, the company incurred $6,893 in additional staking at Chuchi.

ii) Chuchi South property, British Columbia

On March 3, 2023, the Company entered into an Amended and Restated Mineral Property Option Agreement (the "Chuchi South Agreement") pursuant to which the Company can acquire a 51% interest in Chuchi South under the following terms:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date (on or before)	Status
$	$	$		
50,000	-	-	On signature	Paid
-	-	150,000	December 31, 2023	Completed
50,000	-	-	February 13, 2024	*
-	-	500,000	December 31, 2024	
50,000	-	-	February 13, 2025	
-	-	750,000	December 31, 2025	
50,000	-	-	February 13, 2026	
-	-	1,000,000	December 31, 2026	
50,000	-	-	February 13, 2027	
-	-	1,600,000	December 31, 2027	
250,000	-	4,000,000		

(Unaudited - expressed in Canadian dollars)

4. Resource properties (continued)

c) Third party properties being optioned to the Company (continued)

ii) Chuchi South property, British Columbia (continued)

* Subsequent to December 31, 2023, the Company agreed with the underlying option holders to make this payment through the issuance of 550,000 common shares. These shares had not been issued at the date of publication of these consolidated financial statements and the agreement is subject to regulatory approval.

The Company then has the right to increase its interest to 75% by issuing shares valued at $250,000 by January 30, 2028, under the following terms:

Cash payments to be made	Shares to be issued	Exploration expenses to be incurred	Due date (on or before)	Status
$	$	$		
-	250,000	-	January 30, 2028	
75,000	-	2,000,000	December 31, 2028	
75,000	-	2,000,000	December 31, 2029	
150,000	250,000	4,000,000		

5. Share capital

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value. The following share issuances are presented in reverse chronological order:

i) On March 22, 2024, the Company closed the first tranche of a non-brokered private placement (the "Financing), originally announced on February 22, 2024, and on March 4, 2024. The Company issued 7,469,679 flow-through units ("FT Units") at a price of $0.095 per FT Unit for gross proceeds of $709,620. The Company also issued 12,072,500 non-flow-through units ("NFT Units") at a price of $0.08 per NFT Unit for gross proceeds of $965,800.

Each FT Unit is comprised of one common share of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one common share purchase warrant ("Warrant"). Each NFT Unit is comprised of one common share of the Company and one Warrant. Each Warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of $0.12 any time on or before March 22, 2026.

Share issuance costs for this private placement amounted to $83,781.

These securities are subject to a hold period ending on July 23, 2024.

See note 13, *Subsequent events*.

ii) During December of 2023, the company received cash proceeds of $45,000 on exercise of 900,000 stock options with an exercise price of $0.05 per share, and $21,000 upon exercise of 200,000 stock options with an exercise price of $0.105 per share (note 5(c)).

iii) On November 30, 2023, the Company issued 700,000 common shares with a fair value of $0.155 per share (equivalent to $108,500) for the final acquisition of the RDP property (note 4(a)(iv)).

iv) On September 28, 2023, the Company closed a non-brokered private placement by issuing 3,672,667 units at a price of $0.18 per unit for gross cash proceeds of $661,080. Each unit consists of one common share and one share purchase warrant, with each warrant entitling its owner to acquire an additional common share at an exercise price of $0.27 per share for a period of two years. The Company paid 6% finder's fee to certain parties amounting to $16,864. Other share issuance costs related to this placement amounted to $12,536. The Company applied the residual value approach to allocate the proceeds received from the unit offering to their respective components (shares and warrants). Using this approach, the Company attributed no fair value to the warrant portion of the units issued to investors.

v) On May 19, 2023, 16,996,099 common shares were issued for the acquisition of a 100% stake in the Kliyul and Redton properties (note 4(a)(i)), at a fair value of $0.21 per share.

vi) On April 27, 2023, 50,000 common shares were issued on exercise of share purchase warrants with an exercise price of $0.23 per share for cash proceeds of $11,500.

vii) On February 27, 2023, the Company received cash proceeds of $600,000 on exercise of 4,000,000 share purchase warrants with an exercise price of $0.15 per share.

viii) During 2022, the Company conducted two flow-through private placements, and carried unspent flow-through amounts during part of 2023, generating a liability that, at March 31, 2024, stood at $162,498 (December 31, 2023 - $162,342) pursuant to Part XII.6 of the Income Tax Act (Canada). This liability was discharged subsequent to March 31, 2024.

(Unaudited - expressed in Canadian dollars)

5. **Share capital** (continued)

b) Share Purchase Warrants

A summary of the warrants outstanding is as follows:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
	#	$	#	$
Starting balance	29,198,839	0.35	33,826,174	0.32
Issued to investors	19,542,179	0.12	3,672,667	0.27
Exercised by investors	-	-	(4,050,000)	0.15
Expired unexercised	-	-	(4,250,002)	0.23
Ending balance	48,741,018	0.26	29,198,839	0.35

As at March 31, 2024, the summary of warrants outstanding and exercisable are as follows:

Issue date	Type of warrants	Expiry date	Exercise price	Warrants outstanding
			$	#
April 22, 2022	Investor warrants	April 21, 2024	0.35	12,031,520
April 22, 2022	Agents' warrants	April 21, 2024	0.23	1,299,000
September 22, 2022	Investor warrants	September 22, 2024	0.35	1,695,652
December 19, 2022	Investor warrants	December 19, 2024	0.40	9,375,000
December 19, 2022	Agents' warrants	December 19, 2024	0.32	1,125,000
September 27, 2023	Investor warrants	September 28, 2025	0.27	3,672,667
March 22, 2024	Investor warrants	March 22, 2026	0.12	19,542,179
			0.26	48,741,018

(Unaudited - expressed in Canadian dollars)

5. **Share capital** (continued)

c) Stock Options

The Company has a stock option plan in place authorizing the granting of stock options to qualified optionees to purchase a total of up to 10% of the then issued and outstanding common shares of the Company. Stock options generally are granted for a maximum term of five years and expire 90 days following the termination of the optionee's agreement. The exercise price for the options is set at the closing market price of the common shares on the grant date. The vesting periods of options vary with terms determined by the board of directors.

On February 1, 2023, the Company granted an aggregate of 2,575,000 stock options to various directors, officers, employees, and consultants of the Company. Each option entitles its holder to purchase one common share of the Company at an exercise price of $0.30 per share for a period of five years. The options granted to various directors, officers and employees vested immediately. 300,000 options that were granted to investor relations consultants will vest 25% each quarter over a 12-month period.

The Company applies the fair value method of accounting for stock options. Option pricing models require the input of highly subjective assumptions including expected price volatility.

The fair value of options granted was estimated at the grant date based on the *Black-Scholes* option-pricing model, using the following assumptions:

Period of grant	Three months ended March 31, 2024	Year ended December 30, 2023
Number of options granted	-	2,575,000
Weighed average risk-free interest rate	2.93%	2.93%
Weighted average expected volatility	109.89%	109.89%
Weighted average expected option life in years	5	5
Calculated total fair value	$0	$804,968
Value vested during period	$5,458	$549,320
Expected dividend yield	Nil	Nil

(Unaudited - expressed in Canadian dollars)

5. **Share capital** (continued)

c) Stock Options (continued)

Stock option transactions and the number of stock options outstanding and exercisable are summarized below:

	Three months ended March 31, 2024		Year ended December 31, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	#	$	#	$
Balance, beginning of year	8,075,000	0.27	6,800,000	0.22
Granted	-	-	2,575,000	0.30
Exercised	-	-	(1,100,000)	0.06
Expired unexercised	-	-	(200,000)	0.07
Outstanding, end of period	8,075,000	0.27	8,075,000	0.27
* Exercisable, end of period	8,075,000	0.27	8,000,000	0.27

* As at December 31, 2023, an aggregate of 75,000 stock options had not yet vested and were not exercisable (December 31, 2022 – 100,000 unvested stock options).

Stock options outstanding and exercisable are as follows:

Expiry date	Exercise price	March 31, 2024	December 31, 2023
	$	#	#
March 16, 2025	0.050	750,000	750,000
October 22, 2025	0.075	350,000	350,000
March 9, 2026	0.105	650,000	650,000
July 15, 2026	0.250	900,000	900,000
May 12, 2027	0.360	2,550,000	2,550,000
June 14, 2027	0.360	300,000	300,000
February 1, 2028	0.300	2,575,000	2,500,000
	0.267	8,075,000	8,000,000

6. **Government grants and tax credits**

No government grants or tax credits were received by the Company during the three months ended March 31, 2024, or during the year ended December 31, 2023.

Subsequent to March 31, 2024, the Company received $31,677 corresponding to the British Columbia Mining and Exploration Tax Credit ("BCMETC") corresponding to qualifying exploration expenses incurred during 2022.

(Unaudited - expressed in Canadian dollars)

7. Related parties

Related parties include the board of directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

The Company has no compensation arrangements with its board of directors other than non-cash stock option grants. In the case of senior officers of the Company, which include the Executive Chairman, the President & CEO, and the CFO, the Company provides certain compensation for termination without cause and for a change of control of the Company.

Key management includes the board of directors and executive officers.

Compensation awarded to key management is listed below:

	Three months ended March 31	
	2024	2023
	$	$
Management fees paid to a Company controlled by the Executive Chairman of the Company, and salary paid to him *	**14,240**	26,840
Salary paid to the CEO of the Company	**48,041**	53,162
Management fees paid to a company controlled by the CFO of the Company	**20,000**	20,000
Share-based payments recorded for stock options granted to directors and officers of the Company (non-cash expense)	**-**	347,613
	82,281	447,615

* A percentage of the Executive Chairman's compensation is charged to exploration

8. Capital management

The Company's objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore the various properties for the benefits of its shareholders. The Company's operations have been and will continue to be funded by the sale of equity to investors.

The Company's capital includes the components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests and associated administration expenses. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company monitors actual expenses relative to the approved budget on all exploration projects and overheads to manage costs, commitments, and exploration activities. There were no changes in the Company's approach to capital management during the three months ended March 31, 2024.

9. Financial instruments

Fair values

As at March 31, 2024, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities are measured at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. Marketable securities are classified within level 1 of the fair value hierarchy as their fair value measurement is derived from quoted prices in active markets for identical assets. Warrants are classified within level 2 of the fair value hierarchy as their fair value measurement is derived from inputs other than quoted prices included within level 1, that are observable either directly or indirectly. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. However, due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited at one of Canada's largest banks with an AA rating, federally insured, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At March 31, 2024, the Company had cash of $1,643,628 (December 31, 2023 - $541,840), trade payable and accrued liabilities of $59,645 (December 31, 2023 - $158,138), a financial liability of $202,111 (December 31, 2023 – $249,177) corresponding to cash provided by Antofagasta Minerals for exploration at the RDP property (note 4(a)(iv)), a flow-through related tax liability of $162,498 (December 31, 2023 - $162,342), and lease liabilities of $43,224 (December 31, 2023 - $62,713).

9. Financial instruments (continued)

Currency risk

As at March 31, 2024, the Company kept less than 1% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by an immaterial amount.

Price risk

As the Company no longer holds any marketable securities (note 3), there is no price risk at March 31, 2024.

10. Right-of-use assets and lease liabilities

The Company recognizes lease liabilities in relation to a sublease agreement for office space, and a lease for a truck used for assisting Company personnel in exploration activities.

An office sublease agreement was entered into on February 1, 2023, with a term ending on August 31, 2024. The office lease liability is measured at the present value of the remaining lease payments starting on February 1, 2023, by using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the office lease liability was 10%. The associated lease liability recognized as at February 1, 2023, was $96,627.

An associated right-of-use asset for the office lease was measured at the amount equal to the lease liability on February 1, 2023. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

On April 1, 2023, a truck was leased for support of exploration activities. The term of the truck sublease ends on March 31, 2025. The weighted average incremental borrowing rate applied to the truck lease liability was 8.49% as per the corresponding lease contract. The associated truck lease liability recognized as at April 1, 2023, was $31,278, with a corresponding right-of-use asset being depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(Unaudited - expressed in Canadian dollars)

10. Right-of-use asset and lease liabilities (continued)

The following table summarizes the lease transactions:

Lease liability as December 31, 2022		-
Setup of new office lease agreement	**104,880**	
Lease interest	(8,253)	
Value of new office lease	**96,627**	**96,627**
Lease payments		(11,040)
Lease interest		1,571
Lease liabilities as at March 31, 2023		87,158
Setup of truck lease agreement	**34,119**	
Lease interest	(2,841)	
Value of new truck lease	**31,278**	**31,278**
Lease payments		(62,474)
Lease interest		6,751
Lease liabilities as at December 31, 2023		62,713
Lease payments		(20,824)
Lease interest		1,335
Lease liabilities as at March 31, 2024		**43,224**
Current portion		**43,109**
Long-term portion		**115**
		43,224

Right-of-use assets	$
Value of right-of-use asset on December 31, 2022	-
Setup of new right-of-use asset (office)	**96,627**
Amortization	(10,171)
Value of right-of-use asset as at March 31, 2023	86,456
Setup of new right-of-use asset (truck)	31,278
Amortization	(57,500)
Value of right-of-use asset as at December 31, 2023	60,234
Amortization	(19,167)
Value of right-of-use assets as at March 31, 2024	**41,067**

The future lease payment commitments are as follows:

	$
2024	29,355
2025	4,265
	33,620

(Unaudited - expressed in Canadian dollars)

11. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at March 31, 2024, and throughout 2023, all of the Company's non-current assets were held in Canada.

12. Supplementary information with respect to cash flows

	Three months ended March 31	
	2024	2023
	$	$
Changes in non-cash working capital items:		
Other receivables	**70,216**	**32,015**
Prepaid	**(13,148)**	**(24,880)**
Trade payable and accrued liabilities	**(110,862)**	**(150,018)**
Flow-through tax liability	**156**	**-**
	(53,638)	(142,883)
Non-cash financing activities:		
Share issuance costs incurred through trade payables and accrued liabilities	**(12,369)**	-

13. Subsequent events

a) Financing completed

On April 5, 2024, the Company closed the second and final tranche Financing (note 5(a)) by issuing 1,058,750 NFT units at a price of $0.08 per NFT unit for gross proceeds of $84,700.

The securities are subject to a hold period ending August 6, 2024.

b) Payment of flow-through tax liability

Subsequent to March 31, 2024, the Company discharged the $162,498 flow-through tax liability pursuant to Part XII.6 of the Income Tax Act (Canada), stated on the consolidated statement of financial position (note 5(a)(viii)).

c) Private placement announced

On May 23, 2024, the Company announced its intention to conduct a non-brokered private placement (the "Offering") for aggregate gross proceeds of up to $2,000,000 from the sale of non flow-through units of the Company (each, a "Unit") at a price of $0.07 per Unit, flow-through units of the Company (each, a "FT Unit") at a price of $0.08 per FT Unit, and FT Units to be sold to charitable purchasers (each, a "Charity FT Unit", and together with the Units and FT Units, the "Offered Securities") at a price of $0.115 per Charity FT Unit. Red Cloud Securities Inc. will be acting as a finder in connection with the Offering.

Each Unit will consist of one common share of the Company (each, a "Common Share") and one Common Share purchase warrant (each whole warrant, a "Warrant"). Each FT Unit and Charity FT Unit will consist of one Common Share to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.12 for a period of 24 months following the issue date of the Offered Security.

Closing of the Offering is subject to receipt of all necessary regulatory approvals including the TSX Venture Exchange (the "TSXV"). Finder's fees will be payable in accordance with the policies of the TSXV. The securities issued under the Offering will be subject to a hold period ending on the date that is four months plus one day following the date of issue in accordance with applicable securities laws.

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