



(An Exploration-Stage Company)

Condensed Interim Consolidated Financial Statements

Three and Six months ended June 30, 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 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 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. ("Pacific Ridge" or 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 interim consolidated 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.

	Note	June 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash		2,407,698	541,840
Amounts receivable		14,444	80,983
Prepays		102,718	49,241
		2,524,860	672,064
Equipment and furniture		10,823	9,425
Resource properties	4	4,374,143	4,350,837
Reclamation bonds		78,142	64,642
Right-of-use assets	11	21,900	60,234
		7,009,868	5,157,202
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities		41,222	158,138
Financial liability	4	4,817	249,177
Lease liabilities – current	11	23,257	58,396
Flow-through income tax liability		-	162,342
Flow-through premium liability	5	151,125	-
		220,421	628,053
Lease liabilities – long term	11	-	4,317
		220,421	632,370
SHAREHOLDERS' EQUITY			
Share capital	6	66,039,399	63,182,638
Subscriptions received in advance	6	14,000	-
Reserves	6	6,001,387	5,752,729
Deficit		(65,265,339)	(64,410,535)
		6,789,447	4,524,832
		7,009,868	5,157,202

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

Approved and authorized for issue on behalf of the Board of Directors

/s/ "Bruce Youngman"

Director

/s/ "Blaine Monaghan"

Director & CEO

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

	Note	Three months ended		Six months ended	
		2024	June 30, 2023	2024	June 30, 2023
		\$	\$	\$	\$
Administrative expenses					
Amortization of right-of-use assets	11	19,167	19,167	38,334	29,338
Depreciation		1,320	984	2,712	2,035
Finance lease interest	11	859	2,697	2,194	4,268
Insurance		6,087	20,450	18,912	33,950
Professional and consulting fees		31,479	4,825	33,895	9,332
Management and administrative	8	85,826	109,966	171,687	212,711
Office operations and facilities		33,269	45,453	60,021	73,423
Shareholder communications		34,832	93,578	101,837	293,682
Share-based payments	6	-	22,010	5,458	517,935
Transfer agent and regulatory fees		22,951	18,792	43,184	35,527
		235,790	337,922	478,234	1,212,201
Exploration expenses (income)					
Exploration and evaluation costs	4	265,068	687,942	416,633	984,890
Mining tax credit	7	(31,677)	-	(31,677)	-
Property option payments		-	-	-	(400,000)
		233,391	687,942	384,956	584,890
Other expenses (income)					
Interest		(15,444)	(68,330)	(11,099)	(125,380)
Foreign exchange		2,064	1,634	2,713	2,148
		(13,380)	(66,696)	(8,386)	(123,232)
Net loss for the period					
		(455,801)	(959,168)	(854,804)	(1,673,859)
Other comprehensive income (loss)					
Change in fair value of marketable securities	3	-	(10,800)	-	(5,500)
Comprehensive loss for the period					
		(455,801)	(969,968)	(854,804)	(1,679,359)
Basic and diluted loss per common share					
		(0.00)	(0.01)	(0.01)	(0.01)
Weighted average number of common shares outstanding					
		157,218,199	110,648,548	145,141,373	115,848,308

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

Pacific Ridge Exploration Ltd.
Condensed Interim Consolidated Statements of Changes in Shareholder's Equity
(Unaudited - expressed in Canadian Dollars)



	Number of common shares	Share Capital	Contributed surplus	Subscriptions received in advance	Other comprehen- sive 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 for resource properties	16,996,099	3,909,103	-	-	-	-	3,909,103
Warrant exercises	4,050,000	693,645	(82,145)	-	-	-	611,500
Share issuance costs	-	(18,690)	-	-	-	-	(18,690)
Share-based payments	-	-	517,935	-	-	-	517,935
Unrealized loss on marketable securities	-	-	-	-	(5,500)	-	(5,500)
Net loss for the period	-	-	-	-	-	(1,673,859)	(1,673,859)
Balance, June 30, 2023	125,014,889	62,670,887	5,776,133	-	(18,000)	(58,251,087)	10,177,933
Balance, December 31, 2023	130,487,556	63,182,638	5,752,729	-	-	(64,410,535)	4,524,832
Flow-through shares issued for cash	23,719,679	1,847,120	162,500	-	-	-	2,009,620
Flow-through premium	-	(151,125)	-	-	-	-	(151,125)
Subscriptions received in advance	-	-	-	14,000	-	-	14,000
Shares issued for cash	18,608,108	1,379,111	54,769	-	-	-	1,433,880
Share issue costs, cash	-	(218,664)	-	-	-	-	(218,664)
Share issue costs, finders warrants	-	(46,807)	46,807	-	-	-	-
Option exercises	250,000	47,126	(20,876)	-	-	-	26,250
Share-based payments	-	-	5,458	-	-	-	5,458
Net loss for the period	-	-	-	-	-	(854,804)	(854,804)
Balance, June 30, 2024	173,065,343	66,039,399	6,001,387	14,000	-	(65,265,339)	6,789,447

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

	June 30, 2024	June 30, 2023
	\$	\$
Cash flows provided by (used in) operating activities		
Loss for the period	(854,804)	(1,673,859)
Items not affecting cash:		
Right-of-use asset amortization	38,334	29,338
Depreciation	2,712	2,035
Finance lease interest	2,194	4,268
Share-based payments	5,458	517,935
Unrealized foreign exchange	-	2,941
Property option recovery	-	(400,000)
Interest received	(20,296)	(125,380)
Changes in non-cash working capital:		
Other receivables	66,539	1,997
Prepays	(53,477)	(1,251,537)
Flow-through tax liability	(162,342)	-
Trade payables and accrued liabilities	(116,916)	(273,780)
	(1,092,598)	(3,166,042)
Cash flows used in investing activities		
Resource property acquisition costs	(23,306)	(35,368)
Acquisition of equipment and furniture	(4,110)	(3,629)
Proceeds from property option payments	-	400,000
Reclamation bonds	(13,500)	-
Interest received	20,296	125,380
	(20,620)	486,383
Cash flows provided by financing activities		
Proceeds from share issuances	3,443,500	-
Share issuance costs	(218,664)	(18,690)
Subscriptions received in advance	14,000	-
Proceeds from warrant exercises	-	611,500
Proceeds from Option exercise	26,250	-
Advances received for exploration	(195,000)	680,588
Amounts expensed from advances received	(49,360)	(332,911)
Finance lease – principal payments	(39,456)	(27,597)
Finance lease – interest payments	(2,194)	(4,268)
	2,979,076	908,622
Change in cash during the period	1,865,858	(1,773,978)
Cash, beginning of period	541,840	7,813,084
Cash, end of period	2,407,698	6,039,106

Supplemental cash flow information (Note 13)

1. Nature of operations and going concern uncertainty

Pacific Ridge and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. 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 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 June 30, 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 June 30, 2024, the Company had cash of \$2,407,698 working capital of \$2,304,439, which is calculated as current assets less current liabilities, and accumulated deficit of \$65,265,339. For the six months ended June 30, 2024, the Company incurred a net loss of \$854,804 and used cash in operating activities of \$1,092,598. 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. 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

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 August 21, 2024.

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.

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 Inc.		Trifecta Gold Ltd.		Arctic Fox Ventures		Total
	Common Shares		Common Shares		Common Shares		Fair Value
	Number	Fair Value	Number	Fair Value	Number	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 June 30, 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	Mariposa 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	-	-	-	-	-	-	11,893	50,000	61,893
Staking costs	1,500	-	1,975	-	-	-	-	-	3,475
Option payments in shares	3,909,103	-	-	-	-	-	-	-	3,909,103
Balance, June 30, 2023	3,945,603	35,000	412,230	12,261	46,949	-	45,216	50,000	4,547,259
Other payments in cash	-	-	-	-	-	-	5,000	-	5,000
Staking costs	30,000	-	-	-	-	-	-	-	30,000
Final acquisition in shares	(339,922)	-	-	-	108,500	-	-	-	(231,422)
Balance, December 31, 2023	3,635,681	35,000	412,230	12,261	155,449	-	50,216	50,000	4,350,837
Option payments in cash	-	-	-	-	-	-	5,000	-	5,000
Other payments in cash	1,425	-	-	-	-	7,840	9,041	-	18,306
Balance, June 30, 2024	3,637,106	35,000	412,230	12,261	155,449	7,840	64,257	50,000	4,374,143

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

Property	Province/ Territory	Six Months ended June 30	
		2024 \$	2023 \$
Kliyul	BC	162,302	635,788
Chuchi	BC	129,475	140,801
Mariposa	YT	13,406	7,339
Redton	BC	15,303	12,630
Chuchi South	BC	2,242	3,758
Onjo	BC	841	10,739
Orbison (Gap)	BC	-	3,270
RDP – Portion incurred by the Company	BC	1,250	-
RDP - Project management fees*	BC	(2,083)	-
General exploration		93,897	170,565
Total exploration expenses incurred by the Company:		416,633	984,890
* Exploration in RDP financed by Antofagasta:		47,277	332,991
* RDP option obligations financed by Antofagasta:		-	-
Total exploration expenses		463,910	1,317,801

* During the six months ended June 30, 2024, \$47,277 were incurred by Antofagasta (2023 - \$332,911 plus \$30,000 in a property option payment to the property's underlying owner).

A description of the relevant projects follows:

Company-owned properties:

a. 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 copper-gold project (“Kliyul”) and the Redton copper-gold project (“Redton”) 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 June 30, 2024, and since the start of exploration activities in 2020, the Company had incurred over \$14,760,000 in exploration expenses at Kliyul and Redton.

Kliyul is subject to 2% net smelter return royalties. Redton 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.

b. 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 (“Onjo”) 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.

c. Orbison property, British Columbia

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

d. 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 (“RDP”).

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	Shares	Exploration expenses	Due 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.

Additionally, the Company 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.

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.

During the six months ended June 30, 2024, Antofagasta terminated the Agreement on the RDP property and will no longer pursue the property. As at June 30, 2024 the Company has \$4,817 owing to Antofagasta regarding funds they advanced for exploration expenses on the RDP property.

e. 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.

Company-owned properties sold to third parties

f. 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.

Third party properties being optioned to the Company

g. 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	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
10,000	-	-	Upon Exchange approval	Paid
-	-	150,000	May 06, 2023	Complete
-	-	750,000	May 06, 2024	Complete
-	-	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		

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

Cash payments	Shares	Exploration expenses	Due 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. During the six months ended June 30, 2024 the Company incurred \$14,041 in acquisition costs at Chuchi.

h. 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	Shares	Exploration expenses	Due 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		

* 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	Shares	Exploration expenses	Due 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	
Cash payments	Shares	Exploration expenses	Due on or before	

5. Flow-through 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 shares issuances:

	\$
Balance at December 31, 2023	-
Liability incurred on flow-through shares issued	162,500
Flow-through issuance costs	(11,375)
Balance at June 30, 2024	151,125

6. Share capital

a. Common Shares

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

During the six months ended June 30, 2024, the Company had the following share issuances:

- i) On March 22, 2024, the Company closed the first tranche of a non-brokered private placement 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. 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. The Company incurred share issuance costs for this private placement of \$83,781.

- ii) On April 4, 2024, the Company closed the second and final tranche of a non-brokered private placement originally announced on March 4, 2024. The Company issued 1,058,000 NFT Units for gross proceeds of \$84,700 and incurred an additional \$23,108 in cash share issuance costs. The Company fair valued the warrants at \$nil using the residual value method.
- iii) On June 7, 2024, the Company closed the first tranche of a non-brokered private placement, originally announced on May 23, 2024. The Company issued 16,250,000 FT Units at a price of \$0.08 per FT Unit for gross proceeds of \$1,300,000. The Company also issued 5,476,858 NFT Units at a price of \$0.07 for gross proceeds of \$383,380. Each FT Unit consists of one FT Share and one common share purchase warrant and each NFT Unit consists of one common share and one common share purchase warrant. The warrants have an exercise price of \$0.12 and expire on June 7, 2026. The Company fair valued the warrants at \$217,269 using the residual value method.

The Company recorded a flow-through premium on the FT Units of \$161,500 offset by the allocation of \$11,375 of share issuance costs, the Company incurred total cash issue costs of \$111,775. The Company also issued 1,367,380 finder's warrants with each warrant being exercisable at \$0.07 per warrant, expiring on June 7, 2024. The Company fair valued the finder's warrants at \$46,807 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 3.93%; expected volatility – 115.62%, useful life – 2 years; forfeiture rate – nil, expected dividends – nil.

As at June 30, 2024, the Company had also received \$14,000 in subscriptions for shares that were issued subsequent to June 30, 2024 (Note 14).

- iv) During the six months ended June 30, 2024, the Company issued 250,000 shares for gross proceeds of \$26,250 pursuant to the exercise of stock options. The Company reclassified \$20,876 of contributed surplus to share capital upon exercise of the options.

During the year ended December 31, 2023, the Company had the following share issuances:

- a. 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 4(c)).
- b. 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(d)).
- c. 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.
- d. 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)), at a fair value of \$0.21 per share.
- e. 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.
- f. 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.

b. Share Purchase Warrants

A summary of the warrants outstanding is as follows:

	Number of Share Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2022	33,826,174	0.32
Issued	3,672,667	0.27
Exercised	(4,050,000)	0.15
Expired	(4,250,002)	0.23
Balance, December 31, 2023	29,198,839	0.35
Issued	43,695,167	0.12
Expired	(13,330,520)	0.34
Balance, June 30, 2024	59,563,486	0.18

As at June 30, 2024, the summary of warrants outstanding and exercisable are as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
	\$	
1,695,652	0.35	November 12, 2023
9,375,000	0.40	December 19, 2024
1,125,000	0.32	December 19, 2024
3,672,667	0.27	September 28, 2025
19,542,179	0.12	March 22, 2026
1,058,750	0.12	April 5, 2026
21,726,858	0.12	June 7, 2026
1,367,380	0.07	June 7, 2026
59,563,486	0.18	

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 fair value of options granted was estimated at \$549,320 at the grant date based on the Black-Scholes option-pricing model, using the following assumptions:

	2023
Risk-free interest rate	2.93%
Dividend yield	Nil
Expected life	5 years
Volatility	109.89%
Weighted average fair value per options	0.213

During the six months ended June 30, 2024, the Company recorded share-based payments expense of \$5,458 (2023 - \$517,935)

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

	Number of Share Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2022	6,800,000	0.22
Granted	2,575,000	0.30
Exercised	(1,100,000)	0.06
Expired	(200,000)	0.07
Balance, December 31, 2023	8,075,000	0.27
Exercised	(250,000)	0.11
Balance, June 30, 2024	7,825,000	0.27

Stock options outstanding and exercisable are as follows:

Number of Share Options Exercisable	Exercise Price	Expiry Date
	\$	
750,000	0.050	March 16, 2025
350,000	0.075	October 22, 2025
400,000	0.105	March 9, 2026
900,000	0.250	July 15, 2026
2,550,000	0.360	May 12, 2027
300,000	0.360	June 14, 2027
2,575,000	0.300	February 1, 2028
7,825,000	0.272	

7. Government grants and tax credits

During the six months ended June 30, 2024, the Company received \$31,677 corresponding to the British Columbia Mining and Exploration Tax Credit ("BCMETS") corresponding to qualifying exploration expenses incurred during 2022.

8. 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 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:

	For the three months ended		For the six months ended	
	2024	June 30, 2023	2024	June 30, 2023
	\$	\$	\$	\$
Management fees Chairman	7,600	27,730	21,840	54,560
Management fees CEO	48,041	54,905	96,083	108,066
Management fees CFO	24,000	24,000	44,000	44,000
Share-based payments	-	-	-	347,613
	79,641	106,635	161,923	554,239

All related party transactions were in the normal course of business and as at June 30, 2024 the Company had \$nil owing to related parties.

9. 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 six months ended June 30, 2024.

10. Financial instruments

Fair values

As at June 30, 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 June 30, 2024, the Company had cash of \$2,407,698 (December 31, 2023 - \$541,840), trade payable and accrued liabilities of \$41,222 (December 31, 2023 - \$158,138), a financial liability of \$4,817 (December 31, 2023 - \$249,177) corresponding to cash provided by Antofagasta Minerals for exploration at RDP (note 4(d)), a flow-through related tax liability of \$nil (December 31, 2023 - \$162,342), and lease liabilities of \$23,257 (December 31, 2023 - \$62,713).

Currency risk

As at June 30, 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 June 30, 2024.

11. 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.

The following table summarizes the lease transactions:

	June 30, 2024	December 31, 2023
	\$	\$
Balance, beginning of year	62,713	-
Additions	-	127,905
Lease payments	(41,650)	(73,514)
Interest expense	2,194	8,322
	23,257	62,713
Less: current portion of lease liability	(23,257)	(58,396)
Non-current portion of lease liability	-	4,317

	June 30, 2024	December 31, 2023
	\$	\$
Value of right-of-use asset	60,234	-
Setup of new right-of-use asset	-	127,905
Amortization	(38,334)	(67,671)
Value of right-of-use asset	21,900	60,234

12. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at June 30, 2024, and throughout 2023, all of the Company's non-current assets were held in Canada.

13. Supplementary information with respect to cash flows

	For the six months ended	
	2024	June 30, 2023
Non-cash financing activities:		
Value transfer on option exercises	20,876	-

14. Subsequent events

On August 7, 2024, the Company closed the second and final tranche of its non-brokered private placement issuing 350,000 non-flow-through units ("NFT Units") at a price of \$0.07 per NFT Unit for gross proceeds of \$24,500.