# GT RESOURCES INC.
(formerly Palladium One Mining Inc.)

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

**Condensed Interim Consolidated Financial Statements**

For the Three Months Ended March 31, 2024 and 2023

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## NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim consolidated financial statements for the three months ended March 31, 2024 have not been reviewed by the Company’s auditors.

**GT RESOURCES INC. (formerly Palladium One Mining Inc.)**
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2024 and December 31, 2023
(Expressed in Canadian Dollars)

| | Note(s) | | March 31 2024 | | December 31 2023 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current assets: | | | | | |
| Cash | | **$** | **10,381,369** | $ | 10,669,641 |
| Sales tax recoverable | | | **47,904** | | 274,056 |
| Prepaid expense and deposits | 10 | | **189,560** | | 210,796 |
| Marketable securities | 8 | | **54,000** | | 52,000 |
| Total current assets | | | **10,672,833** | | 11,206,493 |
| Non-current assets: | | | | | |
| Reclamation deposits | | | **31,596** | | 31,449 |
| **Total assets** | | **$** | **10,704,429** | **$** | **11,237,942** |
| **Liabilities and Shareholders' Equity** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and accrued liabilities | 9, 16 | **$** | **247,785** | $ | 500,156 |
| Sales tax payable | | | **-** | | 34,761 |
| Total liabilities | | | **247,785** | | 534,917 |
| Shareholders' equity: | | | | | |
| Capital Stock | 13 | | **47,887,895** | | 47,552,895 |
| Obligation to issue shares | 6 | | **68,000** | | 102,000 |
| Reserves | 13 | | **2,869,658** | | 3,060,107 |
| Deficit | | | **(40,368,909)** | | (40,011,977) |
| Total shareholders' equity | | | **10,456,644** | | 10,703,025 |
| **Total liabilities and shareholders' equity** | | **$** | **10,704,429** | **$** | **11,237,942** |

Nature and continuance of operations (Note 1)

On behalf of the Board:

*"Derrick Weyrauch"* Director *"Lawrence Roulston"* Director

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

**GT RESOURCES INC. (formerly Palladium One Mining Inc.)**
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

| | Note(s) | | **3 months ended March 31 2024** | | **3 months ended March 31 2023** |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Management and consulting | 16 | **$** | **182,721** | $ | 188,457 |
| Exploration and evaluation | 4, 5, 6, 7, 16 | | **174,441** | | 1,278,786 |
| Investor relations | | | **120,719** | | 130,677 |
| Share-based compensation | 13, 16 | | **110,551** | | 40,488 |
| Professional fees | | | **99,854** | | 199,073 |
| General and administrative | 16 | | **72,932** | | 56,442 |
| Corporate development | | | **59,177** | | - |
| Transfer agent and filing fees | | | **18,329** | | 29,191 |
| Foreign exchange loss (gain) | | | **(1,837)** | | (1,933) |
| **Total expenses** | | | **(836,887)** | | (1,921,181) |
| **Other items** | | | | | |
| Amortization of flow-through premium liability | 11 | **$** | **-** | $ | 464,176 |
| Government grants | 12 | | **340,000** | | - |
| Interest income | | | **137,955** | | 123,656 |
| Unrealized loss on investments | 8 | | **2,000** | | - |
| **Total other items** | | | **479,955** | | 587,832 |
| **Loss and comprehensive loss for the period** | | **$** | **(356,932)** | $ | (1,333,349) |
| **Loss per share** – basic and diluted | | **$** | **(0.00)** | $ | (0.00) |
| **Weighted average number of common shares outstanding** – basic and diluted | | | **359,821,531** | | 283,753,807 |

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

**GT RESOURCES INC. (formerly Palladium One Mining Inc.)**
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

| | | 3 months ended March 31, 2024 | | 3 months ended March 31, 2023 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Loss for the period | **$** | **(356,932)** | $ | (1,333,349) |
| Items not requiring an outlay of cash: | | | | |
| Amortization of flow-through premium liability | | **-** | | (464,176) |
| Foreign exchange loss | | **(147)** | | (534) |
| Unrealized loss (gain) on investments | | **(2,000)** | | - |
| Share-based compensation | | **110,551** | | 40,488 |
| | | **(248,528)** | | (1,757,571) |
| **Net change in non-cash working capital balances** | | | | |
| Accounts payable and accrued liabilities | | **(252,371)** | | (751,557) |
| Prepaid expense and deposits | | **21,236** | | (54,114) |
| Sales tax recoverable | | **226,152** | | 312,061 |
| Sales tax payable | | **(34,761)** | | - |
| Net cash used in operating activities | | **(288,272)** | | (2,251,181) |
| Cash, beginning of the period | | **10,669,641** | | 11,388,062 |
| **Cash, end of the year** | **$** | **10,381,369** | $ | 9,136,881 |
| **Supplemental disclosures with respect to cash flows:** | | | | |
| Cash paid during the period for income taxes | **$** | **-** | $ | - |
| Cash paid during the period for interest | **$** | **-** | $ | - |
| **Non-cash items:** | | | | |
| Share issuance costs included in accounts payable and accrued liabilities | **$** | **26,100** | $ | 26,100 |
| Deferred share issuance costs included in accounts payable and accrued liabilities | **$** | **-** | $ | 43,765 |

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

**GT RESOURCES INC. (formerly Palladium One Mining Inc.)**
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2024 and 2023
(Expressed in Canadian Dollars)

| | Number of shares | Capital stock | Obligation to issue shares | Reserves | Deficit | Shareholder's equity |
|---|---|---|---|---|---|---|
| **Balance at December 31, 2022** | **283,753,807** | **$ 38,422,785** | **$ -** | **$ 2,577,509** | **$ (32,015,581)** | **$ 8,984,713** |
| Share-based compensation | - | - | - | 40,488 | - | 40,488 |
| Loss for the period | - | - | - | - | (1,333,349) | (1,333,349) |
| **Balance at March 31, 2023** | **283,753,807** | **$ 38,422,785** | **$ -** | **$ 2,617,997** | **$ (33,348,930)** | **$ 7,691,852** |
| **Balance at December 31, 2023** | **359,348,928** | **$ 47,552,895** | **$ 102,000** | **$ 3,060,107** | **$ (40,011,977)** | **$ 10,703,025** |
| Shares issued for Tyko II property acquisition | 400,000 | 34,000 | (34,000) | - | - | - |
| Shares issued on RSUs vesting | 1,037,931 | 301,000 | - | (301,000) | - | - |
| Share-based compensation | - | - | - | 110,551 | - | 110,551 |
| Loss for the period | - | - | - | - | (356,932) | (356,932) |
| **Balance at March 31, 2024** | **360,786,859** | **$ 47,887,895** | **$ 68,000** | **$ 2,869,658** | **$ (40,368,909)** | **$ 10,456,644** |

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

## 1. Nature and continuance of operations

GT Resources Inc. (formerly "Palladium One Mining Inc.") ("GT Resources" or the "Company") is a mineral exploration company listed on the TSX Venture Exchange ("TSX-V") under the symbol "GT". The Company was incorporated under the *Business Corporations Act of British Columbia* on January 16, 2007. The Company's head office is located at Suite 3704-88 Scott Street, Toronto, ON, M5E 0A9. The Company's registered and records office is 25th floor, 666 Burrard Street, Vancouver, BC, V6C 2X8.

These consolidated financial statements were authorized for issue by the Company's Board of Directors on May 24, 2024.

Going concern

The Company's ability to continue as a going concern is dependent upon its ability to fund its exploration and evaluation programs. These condensed interim consolidated financial statements have been prepared on a going concern basis and do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of business operations. Such adjustments could be material.

Management has applied judgement in the assessment of the Company continuing as a going concern by taking into account all available information. Management estimates that the going concern assumption is appropriate for at least the next twelve months following the reporting date of these statements.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

## 2. Basis of presentation

### a) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

### b) Statement of compliance

The condensed interim consolidated financial statements of the Company 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, the condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") 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 of the year ended December 31, 2024.

### c) Principals of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Tyko Resources Inc.("Tyko"), Nortec Minerals Oy ("Nortec"), and MetalCorp Limited ("MetalCorp"). All inter-company transactions and balances have been eliminated upon consolidation.

**2. Basis of presentation (continued)**

A subsidiary is an entity which the Company controls. The Company has control over an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A subsidiary is fully consolidated from the date on which control is obtained by the Company and is deconsolidated from the date that control ceases.

| Name of subsidiary | Country of incorporation | Proportion of ownership interest | Principal activity |
|---|---|---|---|
| Tyko Resources Inc. | Canada | 100% | Mineral exploration |
| Nortec Minerals Oy. | Finland | 100% | Mineral exploration |
| MetalCorp Limited | Canada | 100% | Mineral exploration |

**d) Critical accounting estimates and judgements**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

*Significant judgements*

Going Concern

In the preparation of these condensed interim consolidated financial statements, the Company made judgements related to the going concern of the Company as discussed in Note 1.

*Critical estimates*

Share-based Compensation Transactions

The Company measures the cost of options granted for goods and services with reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based compensation transactions 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 share option, volatility and dividend yield and making assumptions about them.

Income taxes

The estimation of income 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.

## 2. Basis of presentation (continued)

To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

## 3. Summary of material accounting policies

The accounting policies in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2023.

## 4. Acquisition of MetalCorp Limited

On May 2, 2023, the Company completed an acquisition of 100% of the outstanding shares of MetalCorp Limited ("MetalCorp") structured as a statutory plan of arrangement under the Business Corporations Act (Ontario) (the "Transaction"). Under the terms of the Transaction, former shareholders of MetalCorp received 0.30 (the "Exchange Ratio") of a common share in the capital of the Company in exchange for each common share in the capital of MetalCorp held. Outstanding options to acquire MetalCorp shares outstanding immediately prior to the closing of the transaction were exchanged for stock options to purchase common shares of the Company at the Exchange Ratio. A total of 38,679,050 common shares of the Company were issued in exchange for the outstanding shares of MetalCorp as well as 3,585,000 stock options to purchase common shares of the Company were exchanged for outstanding options to purchase MetalCorp Shares (Note 13c ii). As a result of the Transaction, MetalCorp became a wholly-owned subsidiary of the Company.

This Transaction has been accounted for as an asset acquisition under IFRS 3 Business Combinations where the purchase price has been allocated to assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. As per the policies of the Company, the fair value of the acquired mineral properties were charged as acquisition costs to exploration and evaluation expenditures (Note 5).

The allocation of the purchase price to the estimated fair value of the assets of MetalCorp is as follows:

| | |
|---|---|
| **Purchase price** | |
| 38,679,050 common shares at $0.105 per share | $4,061,300 |
| 3,585,000 replacement stock options | 180,510 |
| | 4,241,810 |
| **Cost of acquisition** | |
| Purchase price | 4,241,810 |
| Transaction costs | 206,846 |
| | 4,448,656 |
| **Estimated fair values of assets and liabilities acquired** | |
| Cash | 716,618 |
| Sales tax recoverable | 50,625 |
| Prepaid expense and deposits | 37,344 |
| Short-term investments | 1,028,164 |
| Marketable securities | 82,000 |
| Accounts payable and accrued liabilities | (214,883) |
| Mineral property asset, charged to exploration and evaluation | 2,748,788 |
| | $4,448,656 |

## 5. Exploration and evaluation expenditures

The Company incurred the following expenditures on its properties during the three months ended March 31, 2024 and 2023:

| E&E Expenditures Year ended March 31, 2024 | Tyko I | Tyko II | Canalask Project | LK Project | Total |
|---|---|---|---|---|---|
| Drilling and assays | 18,944 | 30,246 | - | - | **49,190** |
| Equipment rental | 9,240 | 1,260 | - | - | **10,500** |
| Exploration camp and field costs | 5,615 | 7,750 | 20,000 | - | **33,365** |
| Geological consulting | - | - | - | 3,386 | **3,386** |
| Geological salaries | 45,962 | 11,490 | - | - | **57,452** |
| Permits and reservations | - | - | - | 20,164 | **20,164** |
| Travel and support | - | - | - | 384 | **384** |
| | **$ 79,761** | **$ 50,746** | **$ 20,000** | **$ 23,934** | **$ 174,441** |

| E&E Expenditures Year ended March 31, 2023 | Tyko I | Tyko II | Canalask Project | LK Project | Total |
|---|---|---|---|---|---|
| Drilling and assays | $ 23,553 | $ - | $ - | $ - | **$ 23,553** |
| Environmental | - | - | - | 48,255 | **48,255** |
| Equipment rental | 20,561 | - | - | - | **20,561** |
| Exploration camp and field costs | 17,708 | - | - | 123 | **17,831** |
| Geological consulting | 147,535 | - | - | 9,338 | **156,873** |
| Geological salaries | 38,617 | - | - | - | **38,617** |
| Geophysical surveys | 304,730 | - | - | - | **304,730** |
| Mobilization/Demobilization | 604,120 | - | - | - | **604,120** |
| Permits and reservations | 15,980 | - | 6,460 | 39,707 | **62,147** |
| Travel and support | 1,874 | - | - | 225 | **2,099** |
| | **$ 1,174,678** | **$ -** | **$ 6,460** | **$ 97,648** | **$ 1,278,786** |

**Tyko I and Tyko II Projects**

The Company holds a 100% interest in the Tyko I and Tyko II Projects, located in Northwestern Ontario.

**Canalask Project**

The Company holds a 100% interest in the Canalask project located approximately 300 kilometers northwest of Whitehorse, Yukon.

**LK Project**

The Company holds a 100% interest in the Lantinen Koillismaa Platinum Group Element-Copper-Nickel (PGE-Cu-Ni) project ("LK Project") located in North-central Finland.

**MetalCorp Projects**

As a result of the acquisition of MetalCorp on May 2, 2023 (Note 4), the Company holds 100% interest in Hemlo East, Big Lake, North Rock and Black Bear Projects in Ontario.

## 6. Acquisition of the Tyko II property

On September 11, 2023, the Company acquired the Tyko II property through a combination of staking and claim purchases.

The claim purchases include aggregate consideration of

- $100,000 cash due at closing (paid)
- 2.3 million common shares of the company as follows:
  - 1.1 million common shares which were issued on September 26, 2023,
  - 0.4 million shares which were issued on January 25, 2024,
  - 0.4 million shares to be issued on May 25, 2024,
  - 0.4 million shares to be issued on September 25, 2024.
- A Net Smelter Return Royalty ("NSR") in respect of certain claims

As at March 31, 2024, the Company has recorded an obligation to issue shares of $68,000 related to the remaining 800,000 common shares to be issued in connection with these agreements.

## 7. Acquisition of the Canalask property

On June 10, 2022, the Company entered into an Asset Purchase Agreement ("the Agreement") with Victoria Gold Corporation ("the Vendor") to purchase the Canalask Nickel-Copper-PGE Project, in Yukon, Canada. The terms of the agreement include a $25,000 cash payment and $200,000 in common shares of the Company. The Vendor shall retain a 2% Net Smelter Return royalty with the Company retaining a 50% buyback right by paying $1,000,000. Contingent consideration includes $2,000,000 to be paid to the Vendor upon the earlier of (A) the publication of a Feasibility Study, or (B) the Commencement of Commercial Production; and $5,000,000 will be paid to the Vendor upon the commencement of commercial production on the Canalask Property.

In June 2022, the Company completed the acquisition by paying $25,000 and issuing 1,212,121 common shares with a fair value of $200,000 to the Vendor as per the Agreement. Contingent payments related to performance milestones were not included in the purchase price as per the Company's policy.

## 8. Marketable securities

Marketable securities consist of equity instruments in publicly traded junior mining companies with a cost of $82,000 which were acquired by the Company as a component of the acquisition of MetalCorp. The fair value of marketable securities as at March 31, 2024 was $54,000 (December 31, 2023 - $52,000) with an unrealized gain of $2,000 recognized in the Company's consolidated statement of operations for the three months ended March 31, 2024 ($Nil for the three months ended March 31, 2023).

The Company records investments at fair value through profit and loss. Unrealized gains and losses or changes in fair value are reflected in the consolidated statements operations.

## 9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to vendors. The breakdown of accounts payable and accrued liabilities is as follows:

| | | March 31, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| Accounts payable | $ | 149,290 | $ | 263,007 |
| Accrued liabilities | | 98,495 | | 237,149 |
| | $ | 247,785 | $ | 500,156 |

## 10. Prepaid expense and deposits

The breakdowns of prepaid expense and deposits are as follows:

| | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Exploration prepaids | $ 71,895 | $ 102,297 |
| Conferences, investor relations, and insurance | 88,400 | 94,190 |
| Other | 29,265 | 14,309 |
| | $ 189,560 | $ 210,796 |

## 11. Flow-through premium liability

Transactions related to the recognition and amortization of the flow-through premium liability are summarized as follows:

| | Three months ended March 31, 2024 | Year ended December 31, 2023 |
|---|---|---|
| Balance, beginning of period | $ - | $ 1,894,806 |
| Deferred premium liability recognized on flow-through issuances | - | - |
| Income recognized based on corresponding eligible expenditures | - | (1,894,806) |
| Balance, end of period | $ - | $ - |

As at March 31, 2024 and December 31, 2023, the Company has no spending obligations related to flow-through financings.

## 12. Government grants

Government grants recognized are amounts received through the Government of Ontario and covered 50% of eligible exploration costs incurred in 2023 and 2024 for the Tyko project. At March 31, 2024 and December 31, 2023, there were no unfulfilled conditions or other contingencies related to government grants. Government grants of $340,000 were received in the three months ended March 31, 2024 (three months ended March 31, 2023 - $Nil).

## 13. Capital stock and reserves

Authorized capital

The authorized capital stock of the Company consists of an unlimited number of common shares with no par value. As at March 31, 2024, the Company had 360,786,859 (December 31, 2023 – 359,348,928) common shares issued and outstanding.

### a) Shares

*Transactions for the three months ended March 31, 2024 were as follows:*

On January 25, 2024, the Company issued 400,000 common shares with a fair value of $34,000 in relation to the acquisition of the Tyko II property discussed in Note 6.

On March 15, 2024, the Company issued 1,037,931 shares in relation to the vesting of restricted share units (“RSUs"). A total of $301,000 was reallocated from reserves to capital stock in connection with RSUs vested.

*Transactions for the three months ended March 31, 2023 were as follows:*

There were no shares issued in the three months ended March 31, 2023.

## 13. Capital stock and reserves (continued)

### b) Warrants

The number and weighted average exercise prices of warrants are as follows:

| | Number of Warrants | Weighted average exercise price |
|---|---|---|
| Outstanding warrants, December 31, 2022 | 42,936,167 | $ 0.35 |
| Expired | (28,676,000) | 0.43 |
| Outstanding warrants, December 31, 2023 | 14,260,167 | 0.19 |
| Outstanding warrants, March 31, 2024 | 14,260,167 | $ 0.19 |

As at March 31, 2024, warrants enabling the holders to acquire common shares are as follows:

| Expiry date | Number of warrants | Weighted average remaining life in years | Weighted average exercise price |
|---|---|---|---|
| 12/23/2024 | 2,500,167 | 0.73 | $ 0.20 |
| 12/23/2024[(1)] | 1,260,000 | 0.73 | 0.14 |
| 12/23/2025 | 10,500,000 | 1.73 | 0.20 |
| | 14,260,167 | 1.47 | $ 0.19 |

(1) Broker warrants which entitle the holder to acquire one common share and one-half of one common share purchase warrant with an exercise price of $0.20 and expiry of December 23, 2025.

### c) Equity incentive plan

The Company adopted a new equity incentive plan (the "New Plan") on July 24, 2023. The New Plan is a "rolling up to 10%" share-based compensation plan and allows the board of directors ("the Board") to grant stock options ("Options"), restricted share units ("RSUs") and deferred share units ("DSUs") of the Company (collectively, "Awards) to employees, officers, directors and consultants of the Company. Awards are non-assignable and non-transferrable. Awards issued are subject to vesting terms determined by the Board with RSUs and DSUs not vesting until at least 12 months from the date of grant.

Options may be granted for a term not exceeding that permitted by the Exchange, currently ten years and the exercise price shall be fixed by the Board but shall not be less than the market value of the Company' common shares at the time of grant. Award outstanding under the Company's previous share-based compensation plans will remain outstanding and be governed by the previous plans, however new Award grants will be subject to the New Plan.

#### i. Restricted share unit plan

On May 2, 2023, 275,000 RSUs were issued to directors, officers, consultants, and advisors respectively, with a three-year vesting period, thereby vesting on May 2, 2026.

On March 11, 2024, 650,000 RSUs were issued to directors, officers, consultants, and advisors respectively, with a three-year vesting period, thereby vesting on March 11, 2027.

On March 15, 2024, the Company issued 1,037,931 shares in relation to the vesting of restricted share units ("RSUs"). A total of $301,000 was reallocated from reserves to capital stock in connection with RSUs vested.

For the three months ended March 31, 2024, the Company recognized share-based compensation expense related to RSUs in the amount of $37,996. (three months ended March 31, 2023 - $22,329).

**13. Capital stock and reserves (continued)**

The summary of changes in RSUs are as follows:

| | Number of restricted share units |
|---|---|
| Outstanding restricted share units, December 31, 2022 | 2,143,590 |
| Granted | 275,000 |
| Forfeited | (310,059) |
| Outstanding restricted share units, December 31, 2023 | 2,108,531 |
| Granted | 650,000 |
| Vested | (1,037,931) |
| Outstanding restricted share units, March 31, 2024 | 1,720,600 |

**ii. Stock option plan**

In May 2023, 2,075,000 options were issued to directors, officers, consultants and advisors, exercisable at a price of $0.11 per common share with 1/3 vesting immediately and 1/3 every year thereafter with a five-year term.

In May 2023, MetalCorp stock options were exchanged for 3,585,000 stock options to purchase common shares of the Company (Note 4).

On March 11, 2024, 3,825,000 stock options were issued to certain officers and directors, exercisable at a price of $0.05 per common share with 1/3 vesting immediately and 1/3 every 6-months thereafter with a five-year term.

On March 11, 2024, 725,000 stock options were issued to certain employees, advisors and consultants, exercisable at a price of $0.05 per common share with 1/3 vesting immediately and 1/3 every 6-months thereafter with a five-year term.

For the three months ended March 31, 2024, the Company recognized share-based compensation expense related to stock options in the amount of $65,962 (three months ended March 31, 2023 - $18,156).

Stock option valuations in the three months ended March 31, 2024 and the year ended December 31, 2023 were based on the following assumptions:

| | 2024 | 2023 |
|---|---|---|
| Forfeiture rate | 0.00% | 0.00% |
| Estimated risk-free rate | 3.42% | 2.95% - 3.63% |
| Expected volatility | 90% | 83% - 90% |
| Stock price at date of grant | $0.04 | $0.11 |
| Estimated annual dividend yield | 0.00% | 0.00% |
| Expected life of options | 5 years | 0.32 - 5 years |
| Fair value | $0.03 | $0.01 - $0.07 |

**13. Capital stock and reserves (continued)**

The number and weighted average exercise prices of the stock options are as follows:

| | Number of options | Weighted average exercise price |
|---|---|---|
| Outstanding options, December 31, 2022 | 11,675,000 | $ 0.17 |
| Granted | 2,075,000 | 0.11 |
| Replacement options issued (Note 4) | 3,585,000 | 0.19 |
| Expired | (160,000) | 0.20 |
| Forfeited | (50,000) | 0.22 |
| Outstanding options, December 31, 2023 | 17,125,000 | 0.16 |
| Granted | 4,550,000 | 0.05 |
| Outstanding options, March 31, 2024 | 21,675,000 | $ 0.14 |

As at March 31, 2024, the Company had outstanding and exercisable stock options as follows:

| Expiry date | Number of options outstanding | Weighted average remaining life in years | Exercise price | Number of options Exercisable |
|---|---|---|---|---|
| 6/7/2024 | 1,875,000 | 0.19 | $0.08 | 1,875,000 |
| 9/30/2024 | 925,000 | 0.50 | 0.08 | 925,000 |
| 12/29/2024 | 4,100,000 | 0.75 | 0.15 | 4,100,000 |
| 3/15/2026 | 700,000 | 1.96 | 0.29 | 700,000 |
| 8/27/2026 | 1,035,000 | 2.41 | 0.23 | 1,035,000 |
| 11/15/2026 | 3,925,000 | 2.63 | 0.22 | 3,925,000 |
| 5/26/2027 | 2,490,000 | 3.15 | 0.17 | 2,490,000 |
| 5/2/2028 | 2,075,000 | 4.09 | 0.11 | 691,666 |
| 3/11/2029 | 4,550,000 | 4.95 | 0.05 | 1,516,667 |
| | **21,675,000** | **2.63** | $0.14 | **17,258,333** |

**iii. Deferred share unit plan**

On March 11, 2024, 3,000,000 DSUs were issued to certain officers and directors.

For the three months ended March 31, 2024, the Company recognized share-based compensation expense related to DSUs in the amount of $6,593. (three months ended March 31, 2023 - $Nil).

The summary of changes in DSUs are as follows:

| | Number of deferred share units |
|---|---|
| Outstanding deferred share units, December 31, 2022 | - |
| Outstanding deferred share units, December 31, 2023 | - |
| Granted | 3,000,000 |
| Outstanding deferred share units, March 31, 2024 | 3,000,000 |

**14. Nature and extent of risks arising from financial instruments**

As at March 31, 2024, the Company's financial instruments consist of cash, marketable securities, sales tax recoverable, and accounts payable and accrued liabilities. The fair values of financial assets and financial liabilities carried at amortized cost approximate their carrying amounts due to the short-term maturity of the instruments.

**14. Nature and extent of risks arising from financial instruments (continued)**

Financial instruments measured at fair value are classified in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value, as follows:

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

The fair value of marketable securities is based on Level 1 inputs of the fair value hierarchy.

The Company is exposed to a varying degree of risks related to financial instruments. Management actively monitors and manages these risks. How management mitigates these risks are discussed below:

*Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash, marketable securities and sales tax recoverable. The Company's cash balance was $10,381,369 as at March 31, 2024 (December 31, 2023 - $10,669,641) and is held through large financial institutions in Canada and Finland. The fair value of the Company's marketable securities was $54,000 as at March 31, 2024 (December 31, 2023 - $52,000), and consists of equity instruments in a publicly traded junior mining company. At March 31, 2024, the Company's receivables consist of sales tax receivable due from the Governments of Canada and Finland of $47,904 (December 31, 2023 - $274,056). Management believes the risk of loss to be not significant.

*Liquidity Risk*

Liquidity risk is the risk that an entity will encounter difficulty in raising funds and meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined in Note 15. As at March 31, 2024, the Company had working capital of $10,425,048 (December 31, 2023 - $10,671,576). However, the Company has an accumulated deficit of $40,368,909 (December 31, 2023 - $40,011,977). The continuation of the Company depends upon the support of its equity investors, which cannot be assured.

*Other Market Price Risk*

The Company is exposed to price risk with respect to equity and commodity 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 copper, nickel, palladium and platinum, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. A 10% increase or decrease in the price of marketable securities held by the Company would increase or decrease net loss by $5,400 (December 31, 2023 - $5,200).

*Currency risk*

The Company has transactions internationally and is exposed to foreign exchange risk from the Euro currency. Foreign exchange risk arises from financing and purchase transactions that are denominated in currency other than the Canadian Dollar, which is the functional currency of the Company. As at March 31, 2024, the Company held in Euros the Canadian dollar equivalent of $144,997 (December 31, 2023 - $202,286) in cash, $31,594 in reclamation deposits (December 31, 2023 - $31,449), $8,964 in sales tax recoverable (December 31, 2023 - $61), $22,392 in accounts payable and accrued liabilities (December 31, 2023 - $7,210), and $Nil in sales tax payable (December 31, 2023 - $34,762). A 10% increase or decrease in the Euro would increase or decrease net loss by $16,300 (December 31, 2023 - $19,200).

## 14. Nature and extent of risks arising from financial instruments (continued)

*Interest risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. The Company earns interest based on market interest rates from the cash and cash equivalents it holds through Canadian financial institutions. The interest earned by the Company will fluctuate based on changes in market interest rates.

## 15. Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in the Company's approach to capital management during the three months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements.

## 16. Related party transactions

a) 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 stock options and RSUs. Remuneration of key management includes the following:

| | | Three months ended March 31, 2024 | | Three months ended March 31, 2023 |
|---|---|---|---|---|
| Management and consulting [(1)] | $ | 129,250 | $ | 138,325 |
| Share based compensation [(2)] | | 61,441 | | 36,995 |
| Total remuneration | $ | 190,691 | $ | 175,320 |

(1) Director, executive and officer compensation
(2) Represents the fair-value of stock options and RSUs granted to directors and officers.

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

As at March 31, 2024, the Company owed $Nil (December 31, 2023 - $78,904) and during the three months ended March 31, 2024, has paid or accrued $Nil (three months ended March 31, 2023 - $147,001) to Fladgate Exploration Consulting Corp, a corporation which is related to the Vice President – Exploration, for exploration and evaluation expenses and project management services. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

As at March 31, 2024, the Company owed $Nil (December 31, 2023 - $Nil) and during the three months ended March 31, 2024, has paid or accrued $10,500 (three months ended March 31, 2023 - $Nil) to Weyrauch & Associates Inc., a corporation related to the CEO, for equipment rental related to exploration and evaluation activities. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

## 16. Related party transactions (continued)

As at March 31, 2024, the Company owed $915 (December 31, 2023 - $2,325) and during the three months ended March 31, 2024, has paid or accrued $812 (three months ended March 31, 2023 - $Nil) to Xploration Solutions, a corporation related to a member of the board of directors, for consulting services. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

As at March 31, 2024, the Company owed $Nil (December 31, 2023 - $Nil) and during the three months ended March 31, 2024, has paid or accrued $9,000 (three months ended March 31, 2023 - $9,000) to a person related to the CEO for costs related to office rental in Toronto. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

As at March 31, 2024, the Company owed officers of the Company $61 (December 31, 2023 - $Nil) for various expenses, including but not limited to exploration & evaluation expenses, marketing and travel costs and accrued payroll. The amount owing was included in accounts payable and accrued liabilities and is unsecured, non-interest bearing and is expected to be repaid under normal trade terms.

## 17. Segmented information

The Company has one reportable operating segment being the acquisition, exploration and evaluation of mineral properties. For the periods presented, all of the Company's long-term assets are located in Canada and Finland.