

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

(An Exploration Stage Company)

(Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

For the Three and Six Months Ended June 30, 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 and six months ended June 30, 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 June 30, 2024 and December 31, 2023

(Expressed in Canadian Dollars)

	Note(s)	June 30 2024	December 31 2023
Assets			
Current assets:			
Cash		\$ 11,696,756	\$ 10,669,641
Sales tax recoverable		21,519	274,056
Prepaid expense and deposits	9	335,640	210,796
Marketable securities	7	44,500	52,000
Total current assets		12,098,415	11,206,493
Non-current assets:			
Reclamation deposits		31,519	31,449
Total non-current assets		31,519	31,449
Total assets		\$ 12,129,934	\$ 11,237,942
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	8, 15	\$ 430,723	\$ 500,156
Sales tax payable		-	34,761
Flow-through premium liability	10	825,559	-
Total liabilities		1,256,282	534,917
Shareholders' equity:			
Capital Stock	12	48,828,546	47,552,895
Obligation to issue shares	6	34,000	102,000
Reserves	12	2,959,620	3,060,107
Deficit		(40,948,514)	(40,011,977)
Total shareholders' equity		10,873,652	10,703,025
Total liabilities and shareholders' equity		\$ 12,129,934	\$ 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 and six months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Note(s)	3 months ended June 30 2024	3 months ended June 30 2023	6 months ended June 30 2024	6 months ended June 30 2023
Expenses					
Management and consulting	15	\$ 241,394	\$ 253,770	\$ 424,115	\$ 442,227
Exploration and evaluation	4, 5, 6, 7, 15	222,060	3,633,358	396,501	4,912,144
Share-based compensation	12, 15	89,962	135,635	200,513	285,071
Investor relations		48,846	244,583	169,565	238,020
Professional fees		50,938	107,343	150,792	334,708
General and administrative	15	46,106	104,774	119,038	161,216
Transfer agent and filing fees		49,346	47,657	67,675	76,848
Corporate development		4,612	8,013	63,789	8,013
Foreign exchange loss (gain)		10,516	6,540	8,679	4,607
Total expenses		(763,780)	(4,541,673)	(1,600,667)	(6,462,854)
Other items					
Amortization of flow-through premium liability	10	55,188	511,223	\$ 55,188	\$ 975,399
Government grants	11	-	-	340,000	-
Interest income		138,487	167,560	276,442	291,216
Unrealized loss on investments	7	(9,500)	-	(7,500)	-
Total other items		184,175	678,783	664,130	1,266,615
Loss and comprehensive loss for the period		\$ (579,605)	\$ (3,862,890)	\$ (936,537)	\$ (5,196,239)
Loss per share – basic and diluted		\$ -	\$ (0.01)	\$ -	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted		365,913,599	337,757,526	362,867,565	310,904,848

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 six months ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

	6 months ended June 30, 2024	6 months ended June 30, 2023
Operating activities		
Loss for the period	\$ (936,537)	\$ (5,196,239)
Items not requiring an outlay of cash:		
Amortization of flow-through premium liability	(55,188)	
Foreign exchange loss	(70)	(975,399)
Unrealized loss (gain) on investments	7,500	34
Shares issued for Tyko II property acquisition	-	-
Obligation to issue shares for Tyko II property acquisition	-	-
Share-based compensation	200,513	285,071
Non-cash exploration and evaluation expense from acquisition of Metalcorp	-	2,397,496
	(783,782)	(3,489,037)
Net change in non-cash working capital balances		
Accounts payable and accrued liabilities	(112,520)	(216,928)
Prepaid expense and deposits	(124,844)	(127,663)
Sales tax recoverable	252,537	197,467
Sales tax payable	(34,761)	-
Net cash used in operating activities	(803,370)	(3,636,161)
Financing activities		
Proceeds from private placements	1,840,000	5,070,348
Private placement share issuance costs	(9,515)	(71,870)
Net cash provided by financing activities	1,830,485	4,998,478
Investing Activities		
Redemption of short-term investments	-	-
Cash received on acquisition of Metalcorp Limited	-	-
Cash paid for acquisition of Metalcorp	-	1,744,782
Net cash provided by investing activities	-	1,744,782
Increase in cash	1,027,115	3,107,099
Cash, beginning of the period	10,669,641	11,388,062
Cash, end of the year	\$ 11,696,756	\$ 14,495,161
Non-cash items:		
Share issuance costs included in accounts payable and accrued liabilities	\$ 69,187	\$ 51,538
Deferred share issuance costs included in accounts payable and accrued liabilities	\$ -	\$ -

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

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the six months ended June 30, 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
Private placements	35,786,071	5,070,348	-	-	-	5,070,348
Share issuance costs – cash	-	(97,308)	-	-	-	(97,308)
Shares issued for Metalcorp acquisition	38,679,050	4,061,300	-	-	-	4,061,300
Options issued for Metalcorp acquisition	-	-	-	36,064	-	36,064
Share-based compensation	-	-	-	285,071	-	285,071
Loss for the period	-	-	-	-	(5,196,239)	(5,196,239)
Balance at June 30, 2023	358,218,928	\$ 47,457,125	\$ -	\$ 2,898,644	\$ (37,211,820)	\$ 13,143,949
Balance at December 31, 2023	359,348,928	\$ 47,552,895	\$ 102,000	\$ 3,060,107	\$ (40,011,977)	\$ 10,703,025
Private placements	26,666,667	1,840,000	-	-	-	1,840,000
Share issuance costs - cash	-	(52,602)	-	-	-	(52,602)
Shares issued for Tyko II property acquisition	800,000	68,000	(68,000)	-	-	-
Shares issued on RSUs vesting	1,037,931	301,000	-	(301,000)	-	-
Share-based compensation	-	-	-	200,513	-	200,513
Flow-Through premium	-	(880,747)	-	-	-	(880,747)
Loss for the period	-	-	-	-	(936,537)	(936,537)
Balance at June 30, 2024	387,853,526	\$ 48,828,546	\$ 34,000	\$ 2,959,620	\$ (40,948,514)	\$ 10,873,652

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)

Notes to the Condensed Interim Consolidated Financial Statements

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

(Expressed in Canadian Dollars)

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 August 28, 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.

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Notes to the Condensed Interim Consolidated Financial Statements

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

(Expressed in Canadian Dollars)

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.

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Notes to the Condensed Interim Consolidated Financial Statements

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

(Expressed in Canadian Dollars)

2. Basis of presentation (continued)

Acquisition of Assets

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of MetalCorp Limited (Note 4) was determined to constitute acquisitions of net assets. In addition, estimates are made as to the fair value of assets and liabilities acquired. The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values.

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:

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4. Acquisition of MetalCorp Limited (Continued)

Purchase price	
38,679,050 common shares at \$0.105 per share	\$4,061,300
3,585,000 replacement stock options	180,510
	<hr/>
	4,241,810
Cost of acquisition	
Purchase price	4,241,810
Transaction costs	206,846
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	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
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	\$4,448,656

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(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

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

(Expressed in Canadian Dollars)

5. Exploration and evaluation expenditures

The Company incurred the following expenditures on its properties during the six months ended June 30, 2024 and 2023:

E&E Expenditures					Metalcorp acquired and other projects	
Year ended			Canalask Project	LK Project		Total
June 30, 2024	Tyko I	Tyko II				
Drilling and assays	18,944	30,382	14,930	-	680	64,936
Equipment rental	9,240	1,260	2,700	-	-	13,200
Exploration camp and field costs	11,018	11,250	144,516	-	-	166,784
Geological consulting	-	-	10,500	6,757	-	17,257
Geological salaries	76,578	19,145	-	-	-	95,723
Permits and reservations	-	-	15,590	13,432	-	29,022
Travel and support	-	-	9,194	385	-	9,579
	\$ 115,780	\$ 62,037	\$ 197,430	\$ 20,574	\$ 680	\$ 396,501

E&E Expenditures					Metalcorp acquired and other projects	
Year ended			Canalask Project	LK Project		Total
June 30, 2023	Tyko I	Tyko II				
Acquisition costs	\$ -	\$ -	\$ -	\$ -	\$ 2,397,496	\$ 2,397,496
Drilling and assays	25,557	-	-	-	-	25,557
Environmental	-	-	-	48,255	-	48,255
Equipment rental	118,647	-	-	-	-	118,647
Exploration camp and field costs	210,484	-	-	123	-	210,607
Geological consulting	420,430	-	3,150	20,814	2,663	447,057
Geological salaries	99,223	-	-	-	-	99,223
Geophysical surveys	563,370	-	-	-	-	563,370
Mobilization/Demobilization	813,498	-	-	-	-	813,498
Permits and reservations	15,980	-	6,460	47,887	15,750	86,077
Travel and support	101,587	-	-	770	-	102,357
	\$ 2,368,776	\$ -	\$ 9,610	\$ 117,849	\$ 2,415,909	\$ 4,912,144

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.

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Notes to the Condensed Interim Consolidated Financial Statements

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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 which were issued on May 28, 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 June 30, 2024, the Company has recorded an obligation to issue shares of \$34,000 related to the remaining 400,000 common shares to be issued in connection with these agreements.

7. 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 June 30, 2024 was \$44,500 (December 31, 2023 - \$52,000) with an unrealized gain of \$7,500 recognized in the Company’s consolidated statement of operations for the six months ended June 30, 2024 (\$Nil for the six months ended June 30, 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.

8. 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:

	June 30, 2024	December 31, 2023
Accounts payable	\$ 235,337	\$ 263,007
Accrued liabilities	195,386	237,149
	\$ 430,723	\$ 500,156

9. Prepaid expense and deposits

The breakdowns of prepaid expense and deposits are as follows:

	June 30, 2024	December 31, 2023
Exploration prepaids	\$ 222,433	\$ 102,297
Conferences, investor relations, and insurance	78,802	94,190
Other	34,405	14,309
	\$ 335,640	\$ 210,796

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10. Flow-through premium liability

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

	Six months ended June 30, 2024	Year ended December 31, 2023
Balance, beginning of period	\$ -	\$ 1,894,806
Deferred premium liability recognized on flow-through issuances	880,747	-
Income recognized based on corresponding eligible expenditures	(55,188)	(1,894,806)
Balance, end of period	\$ 825,559	\$ -

As at June 30, 2024, the Company has an obligation to spend \$1,724,704 (December 31, 2023 - \$Nil) by December 31, 2025 in relation to flow-through proceeds.

11. 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 I and Tyko II project. At June 30, 2024 and 2023, there were no unfulfilled conditions or other contingencies related to government grants.

12. 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 June 30, 2024, the Company had 387,853,526 (December 31, 2023 – 359,348,928) common shares issued and outstanding.

a) Shares

Transactions for the six months ended June 30, 2024 were as follows:

Private placement

On June 13, 2024, the Company announced the completion of a \$1,840,000 non-brokered private placement financing (the “Private Placement”, with a wholly owned subsidiary of Glencore plc (“Glencore”). Pursuant to the Private Placement, the Company issued 26,666,667 common shares (“Common Shares”) at \$0.069 per Common Share. The shares are subject to a four-month hold period, and the private placement awaits final TSX Venture Exchange approval. No commissions or finder fees were involved.

Legal fees and exchange fees related to the private placements in 2024 were \$52,602.

Other issuances

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 8, 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.

On May 28, 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.

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12. 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, June 30, 2024	14,260,167	\$ 0.19

As at June 30, 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	0.48	\$ 0.20
12/23/2024 ⁽¹⁾	1,260,000	0.48	0.14
12/23/2025	10,500,000	1.48	0.20
	14,260,167	1.22	\$ 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’s 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 8, 2024, 650,000 RSUs were issued to directors, officers, consultants, and advisors respectively, with a three-year vesting period, thereby vesting on March 8, 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.

During the six months ended June 30, 2024, 236,400 RSUs were forfeited (Six months ended June 30, 2023 – 227,300)

For the six months ended June 30, 2024, the Company recognized share-based compensation expense related to RSUs in the amount of \$30,136 (six months ended June 30, 2023 - \$65,514).

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12. 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
Forfeited	(236,400)
Vested	(1,037,931)
Outstanding restricted share units, June 30, 2024	1,484,200

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 8, 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 8, 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 six months ended June 30, 2024, the Company recognized share-based compensation expense related to stock options in the amount of \$132,793 (six months ended June 30, 2023 - \$219,557).

Stock option valuations in the six months ended June 30, 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	\$0.05	\$0.11
Estimated annual dividend yield	0.00%	0.00%
Expected life of options	5 years	0.32 - 5 years
Fair value	\$0.04	\$0.01 - \$0.07

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12. 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, June 30, 2024	21,675,000	\$ 0.14

As at June 30, 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	-0.06	\$0.08	1,875,000
9/30/2024	925,000	0.25	0.08	925,000
12/29/2024	4,100,000	0.50	0.15	4,100,000
3/15/2026	700,000	1.71	0.29	700,000
8/27/2026	1,035,000	2.16	0.23	1,035,000
11/15/2026	3,925,000	2.38	0.22	3,925,000
5/26/2027	2,490,000	2.90	0.17	2,490,000
5/2/2028	2,075,000	3.84	0.11	1,383,334
3/8/2029	4,550,000	4.69	0.05	1,516,667
	21,675,000	2.37	\$0.14	17,950,001

iii. Deferred share unit plan

On March 8, 2024, 3,000,000 DSUs were issued to certain officers and directors.

For the six months ended June 30, 2024, the Company recognized share-based compensation expense related to DSUs in the amount of \$37,582. (six months ended June 30, 2023 - \$Nil).

The summary of changes in DSUs are as follows:

	Number of deferred share units
Outstanding deferred share units, December 31, 2023	-
Granted	3,000,000
Outstanding deferred share units, June 30, 2024	3,000,000

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13. Nature and extent of risks arising from financial instruments

As at June 30, 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.

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 \$11,696,756 as at June 30, 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 \$44,500 as at June 3, 2024 (December 31, 2023 - \$52,000), and consists of equity instruments in a publicly traded junior mining company. At June 30, 2024, the Company's receivables consist of sales tax receivable due from the Governments of Canada and Finland of \$21,519 (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 14. As at June 30, 2024, the Company had working capital of \$10,842,133 (December 31, 2023 - \$10,671,576). However, the Company has an accumulated deficit of \$40,948,514 (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 \$4,450 (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 June 30, 2024, the Company held in Euros the Canadian dollar equivalent of \$141,018 (December 31, 2023 - \$202,286) in cash, \$31,517 in reclamation deposits (December 31, 2023 - \$31,449), \$652 in sales tax recoverable (December 31, 2023 - \$61), \$1,737 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 \$17,100 (December 31, 2023 - \$19,200).

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13. 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.

14. 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 six months ended June 30, 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.

15. 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:

	Six months ended June 30, 2024	Six months ended June 30, 2023
Management and consulting ⁽¹⁾	\$ 258,500	\$ 344,300
Share based compensation ⁽²⁾	144,453	105,111
Total remuneration	\$ 402,953	\$ 449,411

(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 June 30, 2024, the Company owed \$Nil (December 31, 2023 - \$78,904) and during the six months ended June 30, 2024, has paid or accrued \$91,996 (six months ended June 30, 2023 - \$621,788) to Fladgate Exploration Consulting Corp, a corporation which is related to the Vice President - Exploration, which was related to exploration and evaluation expenses and for 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 June 30, 2024, the Company owed \$10,500 (December 31, 2023 - \$Nil) and during the six months ended June 30, 2024, has paid or accrued \$21,000 (six months ended June 30, 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.

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15. Related party transactions (continued)

As at June 30, 2024, the Company owed \$2,700 (December 31, 2023 - \$2,325) and during the six months ended June 30, 2024, has paid or accrued \$5,025 to Xploration Solutions, a corporation related to a member of the board of directors, for consulting services.

As at June 30, 2024, the Company owed \$Nil (December 31, 2023 - \$Nil) and during the six months ended June 30, 2024, has paid or accrued \$18,000 (six months ended June 30, 2023 - \$18,000) 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 June 30, 2024, the Company owed officers of the Company \$Nil (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.

16. 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.