

PAN GLOBAL



RESOURCES INC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian dollars)

For the three months ended April 30, 2024

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Pan Global Resources Inc. for the three months ended April 30, 2024 and 2023 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

PAN GLOBAL RESOURCES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

AS AT APRIL 30 AND JANUARY 31, 2024

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	April 30, 2024	January 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	\$ 3,495	\$ 4,735
Short-term investment (Note 3)	-	-
Receivables (Note 4)	170	268
Prepaid expenses	77	83
Total current assets	3,742	5,086
Non-current assets		
Exploration and evaluation assets (Note 5)	2,694	2,694
Reclamation deposits (Note 6)	121	118
Total non-current assets	2,815	2,812
TOTAL ASSETS	\$ 6,557	\$ 7,898
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7 & 9)	\$ 400	\$ 529
Total liabilities	400	529
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	52,251	52,251
Reserves (Note 9)	9,328	9,010
Accumulated deficit	(55,332)	(53,892)
Total shareholders' equity	6,157	7,369
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 6,557	\$ 7,898

Nature of operations and going concern (Note 1)

Subsequent event (Note 12)

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on June 20, 2024.

Approved on behalf of the Board of Directors"Robert Parsons" Director"Patrick Evans" Director

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

PAN GLOBAL RESOURCES INC.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

FOR THE THREE MONTHS ENDED APRIL 30, 2024 AND 2023

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted, except share and per share amounts)

	Three months ended April 30,	
	2024	2023
Exploration expenditures (Note 5 & 9)	\$ 823	\$ 2,169
General and administrative expenses		
Accounting, tax, and audit	15	16
Consulting fees	12	-
Directors' fees (Note 9)	40	28
Investor relations	121	226
Legal Fees (Note 9)	38	19
Management fees (Note 9)	103	99
Office and rent	16	40
Regulatory and transfer agent	24	89
Share-based compensation (Note 8 & 9)	228	372
Travel and related	46	73
	643	962
Loss from operations	(1,466)	(3,131)
Interest income	24	39
Foreign exchange and other	2	51
LOSS AND COMPREHENSIVE LOSS	\$ (1,440)	\$ (3,041)
Loss per common shares - basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares - basic and diluted	242,744,500	212,251,242

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

PAN GLOBAL RESOURCES INC.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

FOR THE THREE MONTHS ENDED APRIL 30, 2024 AND 2023

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted)

	Three months ended April 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (1,440)	\$ (3,041)
Items not affecting cash and cash equivalents:		
Share-based compensation	228	372
Interest income	(24)	(39)
Unrealized foreign exchange effect	(2)	(3)
Changes in non-cash working capital items:		
Receivables	86	(262)
Prepaid expenses	6	118
Accounts payable and accrued liabilities	(129)	20
Net cash used in operating activities	(1,275)	(2,835)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short-term investment (Note 3)	-	2,000
Interest earned	35	84
Reclamation deposits (Note 6)	-	(71)
Net cash provided by (used in) investing activities	35	2,013
CASH FLOWS FROM FINANCING ACTIVITIES		
Exercise of stock options (Note 8)	-	46
Net cash provided by financing activities	-	46
Change during the year	(1,240)	(776)
Cash and cash equivalents, beginning of year	4,735	6,862
Cash and cash equivalents, end of year	\$ 3,495	\$ 6,086
Supplemental disclosure		
Reallocation from reserves on warrant and stock option exercise	\$ -	\$ 39

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

PAN GLOBAL RESOURCES INC.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****FOR THE THREE MONTHS ENDED APRIL 30, 2024 AND 2023**

(Unaudited - Expressed in thousands of Canadian dollars unless otherwise noted, except share and per share amounts)

	Number of common shares		Share capital		Reserves		Accumulated deficit		Total
Balance, January 31, 2023	212,144,500	\$	47,070	\$	7,055	\$	(43,115)	\$	11,010
Exercise of options (Note 8)	250,000		85		(39)		-		46
Share-based compensation	-		-		372		-		372
Loss for the period	-		-		-		(3,041)		(3,041)
Balance, April 30, 2023	221,394,500	\$	47,155	\$	7,388	\$	(46,156)	\$	8,387
Balance, January 31, 2024	242,744,500	\$	52,251	\$	9,010	\$	(53,892)	\$	7,369
Share-based compensation	-		-		228		-		228
Loss for the period	-		-		-		(1,440)		(1,440)
Balance, April 30, 2024	242,744,500	\$	52,251	\$	9,238	\$	(55,332)	\$	6,157

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

PAN GLOBAL RESOURCES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian dollars unless otherwise noted, tabular amounts are expressed in thousands of Canadian dollars, except share and per share amounts)

1. NATURE OF OPERATIONS

Pan Global Resources Inc. (hereafter referred to as the “Company”) was incorporated under the laws of the Province of British Columbia and was established as a legal entity on February 1, 2006.

The Company’s principal business activities are the acquisition of rights to explore for minerals and the exploration of acquired rights. Pan Global Resources Inc. is actively targeting copper-rich mineral deposits, given copper’s compelling supply-demand fundamentals and outlook for strong long-term prices as a critical metal for global electrification and energy transition. The Company’s flagship Escacena Project is located in the prolific Iberian Pyrite Belt in southern Spain, where a favourable permitting track record, excellent infrastructure, mining and professional expertise, and support for copper as a Strategic Raw Material by the European Commission collectively define a tier-one jurisdiction for mining investment.

The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “PGZ”, on the OTCQX under the symbol “PGZFF” and on the Frankfurt stock exchange under the symbol “2EU”. The Company’s principal office is located at 1150 - 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

These condensed consolidated interim financial statements do not include any adjustments to amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown and these condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s continuing operations and the ability of the Company to meet exploration and evaluation assets and other commitments may be dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these consolidated financial statements, the Company has not identified a known body of commercial-grade mineral on any of its properties. The Company has not achieved profitable operations and has accumulated losses since inception. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and Measurement

The condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended January 31, 2024.

PAN GLOBAL RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars unless otherwise noted, tabular amounts are expressed in thousands of Canadian dollars, except share and per share amounts)

3. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENT

		April 30, 2024		January 31, 2024
Cash	\$	2,466	\$	2,956
Cash equivalents		1,029		1,779
	\$	3,495	\$	4,734

4. RECEIVABLES

The Company's receivables consist of the following:

		April 30, 2024		January 31, 2024
VAT recoverable (Spain)	\$	121	\$	214
GST recoverable (Canada)		39		33
Interest receivable		10		21
	\$	170	\$	268

5. EXPLORATION AND EVALUATION ASSETS**Exploration and Evaluation Assets**

		April 30, 2024		Change		January 31, 2024
Escacena Project, Spain	\$	795	\$	-	\$	795
Aguilas Project, Spain		1,465		-		1,465
Aguilas Project, Spain - advance		434		-		434
	\$	2,694	\$	-	\$	2,694

Escacena Project, Spain

In December 2018, EVALAM 2003 S.L. ("EVALAM") was granted the Escacena Investigation Permit located in the Iberian Pyrite Belt in southern Spain, which is the subject of an agreement between EVALAM and the Company, which had an option to acquire 100% of the Escacena Investigation Permit for the following consideration: (a) \$350,000 in cash (paid) and (b) \$1,000,000 in exploration work commitments over a three-year period (spent). The Company exercised its option to acquire the permit. EVALAM retains a net smelter return ("NSR") of 0.5% on the first 12,500 tonnes of copper equivalent and 0.75% on any amount in excess of 12,500 tonnes of copper equivalent. The NSR has a lifetime cap of \$5,000,000.

During the year ended January 31, 2021, the Company completed the acquisition of the rights to the Al Andalus Investigation Permit, covering an area adjacent to the Company's Escacena Project, for aggregate cash payments totaling €300,000 or (\$444,621).

PAN GLOBAL RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars unless otherwise noted, tabular amounts are expressed in thousands of Canadian dollars, except share and per share amounts)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)*Aguilas Project, Spain*

In August 2020, the Company completed the acquisition of MASL, a Spanish exploration company, from a related party, which had been granted mineral exploration licenses, and applied for the issuance of additional mineral exploration licenses in the Provinces of Cordoba and Ciudad Real, Spain, collectively referred to as the "Aguilas Project". In January 2022, the Company made an advance payment of €363,000 (or \$516,469) for the acquisition of additional permits.

Exploration Expenditures (included in the condensed consolidated interim statements of loss and comprehensive loss)

Three months ended April 30, 2024	Escacena	Aguilas	Total
Drilling	\$ 124	\$ 1	\$ 125
License fees	8	-	8
Professional fees and field office	166	36	202
Technical consulting	19	20	39
Technical services	423	3	425
Travel and other	21	3	24
	\$ 761	\$ 62	\$ 823

Three months ended April 30, 2023	Escacena	Aguilas	Total
Drilling	\$ 804	\$ 10	\$ 814
License fees	94	-	94
Professional fees and field office	155	19	174
Technical consulting	19	19	38
Technical services	974	35	1,009
Travel and other	33	7	40
	\$ 2,079	\$ 90	\$ 2,169

6. RECLAMATION DEPOSITS

Aa at April 30, 2024, the Company held reclamation deposits totaling \$120,600 or €81,100 (January 31, 2024 - \$117,860 or €81,100) in connection to the exploration and investigation permits in Spain.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of the following:

	April 30, 2024	January 31, 2024
Accounts payable	\$ 358	\$ 470
Accrued liabilities	42	59
	\$ 400	\$ 529

PAN GLOBAL RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars unless otherwise noted, tabular amounts are expressed in thousands of Canadian dollars, except share and per share amounts)

8. SHARE CAPITAL**Authorized Share Capital**

Authorized share capital consists of:

- unlimited number of common shares without par value
- unlimited class "A" common shares with a par value of \$1 per share
- unlimited class "B" common shares with a par value of \$5 per share

During the three months April 30, 2024, the Company issued Nil (2023 - 250,000) common shares on the exercise of stock options for proceeds of \$Nil (2023 - \$45,500. In addition, the Company reallocated \$Nil (2023 - \$39,099) from reserves for exercise of stock options.

Stock Options

The movements in stock options for the three months ended April 30, 2024 and year ended January 31, 2024 are summarized as follows:

	Number	Weighted average exercise price
Balance, January 31, 2023	16,570,000	\$ 0.35
Granted	2,537,500	0.31
Exercised	(250,000)	0.18
Expired/cancelled	(70,000)	0.60
Balance, January 31, 2024	18,757,500	\$ 0.34
Expired/cancelled	(920,000)	0.37
Balance, April 30, 2024	17,867,500	\$ 0.34

Aa at April 30, 2024, the weighted average remaining life of the stock options outstanding was 4.99 years (January 31, 2024 - 5.25 years) and the Company's outstanding stock options are as follows:

Expiry date	Exercise price	Outstanding	Exercisable
April 18, 2027	\$ 0.10	1,760,000	1,760,000
July 5, 2027	\$ 0.40	250,000	250,000
August 16, 2027	\$ 0.47	750,000	500,000
November 7, 2027	\$ 0.405	350,000	200,000
December 1, 2027	\$ 0.20	1,900,000	1,900,000
January 30, 2028	\$ 0.44	2,035,000	1,526,250
May 25, 2028	\$ 0.35	500,000	-
June 20, 2028	\$ 0.215	125,000	125,000
December 22, 2028	\$ 0.30	1,937,500	484,375
April 16, 2029	\$ 0.10	1,405,000	1,405,000
July 31, 2030	\$ 0.31	3,400,000	3,400,000
August 31, 2031	\$ 0.60	3,455,000	3,455,000
		17,867,500	15,005,625

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(Unaudited - Expressed in Canadian dollars unless otherwise noted, tabular amounts are expressed in thousands of Canadian dollars, except share and per share amounts)

8. SHARE CAPITAL (cont'd...)**Warrants**

The movements in warrants for the three months ended April 30, 2024 and year ended January 31, 2024 are summarized as follows:

	Number	Weighted average exercise price
Balance, January 31, 2023	-	\$ -
Issued	30,350,000	0.30
Balance, April 30 and January 31, 2024	30,350,000	\$ 0.30

Aa at April 30, 2024, the weighted average remaining life of the warrants outstanding was 2.50 (January 31, 2024 - 2.74) years and the Company's outstanding warrants are as follows:

Expiry date	Exercise price	Outstanding
October 31, 2026	\$ 0.30	30,350,000
		30,350,000

Restricted Share Units

The movements in restricted share units ("RSUs") for the three months ended April 30, 2024 and year ended January 31, 2024 are summarized as follows:

	Number
Balance, January 31, 2023	850,000
Granted	800,000
Balance, April 30 and January 31, 2024	1,650,000

Deferred Share Units

The movements in deferred share units ("DSUs") for the three months ended April 30, 2024 and year ended January 31, 2024 are summarized as follows:

	Number
Balance, January 31, 2023	650,000
Granted	-
Balance, April 30 and January 31, 2024	650,000

PAN GLOBAL RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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8. SHARE CAPITAL (cont'd...)**Share-based Compensation**

In accordance with the vesting terms of stock options, RSUs, and DSUs granted, the Company recorded share-based compensation of \$140,833, \$49,525, and \$27,497 (2023 - \$253,106, \$68,215, and \$50,437, respectively, with offsetting credits to reserves during the three months ended April 30, 2024.

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions relating to directors and key management personnel, including the Company's President & Chief Executive Officer, Chief Financial Officer, and Corporate Secretary, were as follows:

For the three months ended	April 30, 2024	April 30, 2023
Directors' fees	\$ 40	\$ 82
Management fees	103	99
Legal fees	16	13
E&E Expenditures	39	37
Share-based compensation	142	238
	\$ 340	\$ 415

10. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and evaluation of mineral properties. Geographic information about the Company's non-current assets, as at April 30, 2024 is as follows: Spain - \$2,813,775 (January 31, 2024 - \$2,811,035); Canada - \$Nil (January 31, 2024 - \$Nil).

11. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	April 30, 2024	January 31, 2024
Financial assets - amortized costs:		
Cash and cash equivalents	\$ 3,495	\$ 4,735
Receivables	10	21
Reclamation deposits	121	118
Financial liabilities - amortized costs:		
Accounts payable and accrued liabilities	\$ (400)	\$ (529)

PAN GLOBAL RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian dollars unless otherwise noted, tabular amounts are expressed in thousands of Canadian dollars, except share and per share amounts)

11. FINANCIAL INSTRUMENTS (cont'd...)**Fair Value**

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The carrying value of cash and cash equivalents, interest receivable, reclamation deposits, and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

Risk and Capital Management

The Company's capital includes share capital and the cumulative deficit. The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares in order to meet its financial obligations. There was no change in the Company's approach to managing capital during the three months ended April 30, 2024. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's activities expose it to a variety of financial risks, market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. This note presents information about the Company's exposure to each of these risks, the Company's objectives and processes for measuring and managing risk, and the Company's management of capital. The Company is not subject to any externally imposed capital restrictions.

Credit Risk

Credit risk arises from cash and deposits with banks, as well as credit exposure on outstanding receivables and committed transactions. The Company's cash deposits are primarily held with a Canadian chartered bank. The Company's receivables exposure relates to amounts due from the governments of Canada and Spain pursuant to goods and services tax and VAT credits.

Interest Rate Risk

As the Company's interest-bearing assets do not have significant interest rates, the Company's income and operating cash flows are not significantly affected by changes in market interest rates.

PAN GLOBAL RESOURCES INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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11. FINANCIAL INSTRUMENTS (cont'd...)**Currency Risk**

The Company has identified its functional currency as the Canadian dollar. Certain of the Company's exploration expenditures have been incurred in Euros and United States dollars ("USD"). The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian dollar and those currencies. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations. Management believes the foreign exchange risk related to currency conversions is minimal.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on the issuance of shares and warrants to fund exploration programs and will require doing so again in the future.

12. SUBSEQUENT EVENT

Subsequent to April 30, 2024, 33,333 RSUs were settled for common shares of the Company with a fair value of 6,166.