



Condensed Consolidated Interim Financial Statements of

AURION RESOURCES LTD.

For the three months ended March 31, 2024 and 2023



NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of Aurion Resources Ltd. for the three months ended March 31, 2024 and 2023 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB").

AURION RESOURCES LTD.

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AURION RESOURCES LTD.**Condensed Consolidated Interim Statements of Financial Position**

(Expressed in Canadian Dollars - unaudited)

	Note	As at March 31, 2024 \$	As at December 31, 2023 \$
ASSETS			
CURRENT			
Cash		3,688,845	5,768,561
Reclamation deposit		144,569	144,569
Receivables	6	288,023	206,879
Prepaid expenses		456,413	495,369
Marketable securities	7	2,314,166	2,380,833
Total current assets		6,892,016	8,996,211
Exploration and evaluation assets	8	45,481,565	44,920,694
Investment in associate	9	13,866,777	13,317,316
Right-of-use asset	10	2,633	6,584
Property and equipment	11	157,639	175,080
Total assets		66,400,630	67,415,885
LIABILITIES			
CURRENT			
Trade payables and accrued liabilities		701,722	711,634
Joint Venture contribution payable		359,607	730,658
Lease liability	12	2,845	7,113
Total current liabilities		1,064,174	1,449,405
NON-CURRENT			
Performance share unit liability	13	663,474	454,748
Deferred share unit liability	13	1,565,980	1,157,744
Total non-current liabilities		2,229,454	1,612,492
Total Liabilities		3,293,628	3,061,897
SHAREHOLDERS' EQUITY	13	63,107,002	64,353,988
		66,400,630	67,415,885
BASIS OF PREPARATION	2		

AUTHORIZED FOR ISSUE ON BEHALF OF THE BOARD OF DIRECTORS ON May 28, 2024:

"Dennis Clarke" Director*"David Loveys"* Director

see accompanying notes to the condensed consolidated interim financial statements

AURION RESOURCES LTD.**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss****(Expressed in Canadian Dollars - unaudited)**

	Note	For the three months ended March 31, 2024 \$	For the three months ended March 31, 2023 \$
EXPENSES			
Share-based payments	13	687,448	560,223
Wages and benefits		186,204	185,060
General and administrative		226,782	220,242
Professional fees		38,679	76,819
Depreciation	11	17,441	14,413
Accounting		8,339	11,586
Amortization of right-of-use assets	10	3,951	3,950
Consulting fees		74,000	54,000
Interest and bank charges		1,480	1,700
Interest on lease liabilities	12	107	397
		(1,244,431)	(1,128,390)
Foreign exchange gain		14,589	30,341
Interest and other income		79,488	68,555
Share of losses related to associate	9	(239,185)	(13,112)
Unrealized gain (loss) on marketable securities	7	(66,667)	265,000
		(211,775)	350,784
Net Loss for the Period		(1,456,206)	(777,606)
Foreign currency translation	9	138,734	22,459
Comprehensive Loss for the Period		(1,317,472)	(755,147)
Loss per Common Share - Basic and Diluted		(0.01)	(0.01)
Weighted Average Number of Common Shares Outstanding - Basic and Diluted		132,459,318	117,854,678

see accompanying notes to the condensed consolidated interim financial statements

AURION RESOURCES LTD.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars - unaudited)

	Number of Shares	Share Capital	Warrants	Contributed Surplus	Share-based Payment Reserve	Expired Stock Options and Warrants Reserve	Accumulated Other Comprehensive Income	Deficit	Total Equity
		\$	\$		\$	\$	\$	\$	\$
Balance, December 31, 2022	117,854,678	77,421,353	814,916	7,198,933	7,235,672	7,603,804	291,976	(38,590,626)	61,976,028
Loss for the three months ended March 31, 2023								(777,606)	(777,606)
Foreign currency translation adjustment	-	-	-	-	-	-	22,459	-	22,459
Expiry of stock options	-	-	-	-	(1,174,984)	1,174,984	-	-	-
Expiry of finders' warrants	-	-	(269,092)	-	-	269,092	-	-	-
Contribution from associate	-	-	-	(48,982)	-	-	-	-	(48,982)
Share-based payments - stock options	-	-	-	-	253,183	-	-	-	253,183
Balance, March 31, 2023	117,854,678	77,421,353	545,824	7,149,951	6,313,871	9,047,880	314,435	(39,368,232)	61,425,082
Balance, December 31, 2023	132,459,318	84,379,145	254,134	7,198,933	6,925,354	9,815,006	402,594	(44,621,178)	64,353,988
Loss for the three months ended, March 31, 2024								(1,456,206)	(1,456,206)
Foreign currency translation adjustment	-	-	-	-	-	-	138,734	-	138,734
Share-based payments - stock options	-	-	-	-	70,486	-	-	-	70,486
Balance, March 31, 2024	132,459,318	84,379,145	254,134	7,198,933	6,995,840	9,815,006	541,328	(46,077,384)	63,107,002

see accompanying notes to the condensed consolidated interim financial statements

AURION RESOURCES LTD.**Condensed Consolidated Interim Statements of Cash Flows****(Expressed in Canadian Dollars - unaudited)**

		For the three months ended March 31, 2024	For the three months ended March 31, 2023
	Note	\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(1,456,206)	(777,606)
Items not affecting cash:			
Share-based payments	13	687,448	560,221
Unrealized loss on marketable securities	7	66,667	(265,000)
Share of losses related to associate	9	239,185	13,112
Depreciation	11	17,441	14,413
Amortization of right-of-use asset	10	3,951	3,950
Interest on lease liabilities	12	107	-
Accrued interest income		(20,960)	-
Changes in non-cash operating working capital	14	(22,621)	(208,424)
		(484,988)	(659,334)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures, net		(603,167)	(850,370)
Contribution to associate		(1,020,963)	(1,169,301)
Interest income received		33,777	-
Purchase of property and equipment		-	(7,470)
Reclamation deposit		-	(7,196)
Short-term investments		-	2,000,000
		(1,590,353)	(34,337)
FINANCING ACTIVITIES			
Repayment of lease liabilities		(4,268)	(4,375)
Interest paid on lease liabilities	12	(107)	397
		(4,375)	(3,978)
INCREASE (DECREASE) IN CASH		(2,079,716)	(697,649)
CASH, BEGINNING OF PERIOD		5,768,561	6,974,382
CASH, END OF PERIOD		3,688,845	6,276,733
SUPPLEMENTAL CASH FLOW INFORMATION	14		

see accompanying notes to the condensed consolidated interim financial statements

AURION RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024, and 2023

(Unaudited - expressed in Canadian Dollars)

1. DESCRIPTION OF BUSINESS

Aurion Resources Ltd. (the “Company”) was incorporated under the *Business Corporations Act (Alberta)* on April 6, 2006, and was continued into British Columbia on August 10, 2018, under the *Business Corporations Act (British Columbia)*. The Company was listed on the TSX Venture Exchange (the “Exchange”) on October 3, 2008. The Company has its registered and records office at 130 Saddlehorn Drive, Kaleden, BC, Canada, and its principal office is 120 Torbay Road, Suite W220, St. John’s, Newfoundland and Labrador, Canada. The Company and its wholly owned subsidiaries are engaged in the evaluation, acquisition and exploration of mineral properties primarily in Finland. The Company plans to ultimately develop the properties, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company has not determined whether these properties contain ore reserves that are economically recoverable and the Company is considered to be in the exploration stage.

These condensed consolidated interim financial statements (the “financial statements”) for the three months ended March 31, 2024, were authorized for issuance by the Board of Directors of the Company on May 28, 2024.

In March 2020, the World Health Organization (“WHO”) declared COVID-19 a global pandemic. This contagious disease outbreak adversely affected workforces, economies, and financial markets globally. In early 2023, the WHO officially declared an end to the Public Health Emergency, however, the disease remains active in society. Should the disease escalate to pandemic levels again, the Company’s operations and financial results could be materially adversely affected.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Basis of consolidation and presentation

These financial statements reflect the financial position, results of operations and cash flows of the Company and its wholly owned subsidiaries: Aurion Resources (US) LLC (USA), Aurion Resources Oy (Finland) and FennoEx Oy (Finland). All inter-company transactions and balances have been eliminated upon consolidation.

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company does not have any proven economically recoverable reserves, has continuous losses, and, as at March 31, 2024, the Company had an accumulated deficit of \$46,077,384 (December 31, 2023 - \$44,621,178). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

AURION RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024, and 2023

(Unaudited - expressed in Canadian Dollars)

2. BASIS OF PREPARATION (Continued)

The success of the Company and the recoverability of exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to fund and complete the development of such reserves, the ability of the Company to satisfy obligations as they come due and upon future profitable production from the properties or proceeds from disposition. The Company's ability to raise additional funds is dependent on favorable conditions in equity and alternative investment markets, which are volatile and subject to significant uncertainty.

The amounts shown as exploration and evaluation assets represent net costs to date, less write-offs and do not necessarily represent present or future values. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported net loss and the statement of financial position classifications used.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial assets classified as at fair value through profit or loss, which are measured at fair value. Additionally, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Currency of presentation

All amounts are expressed in Canadian dollars, unless otherwise stated.

3. MATERIAL ACCOUNTING POLICIES

These financial statements should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes for the year ended December 31, 2023. These financial statements have been prepared using the same accounting policies as described in the Company's December 31, 2023 consolidated financial statements.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - expressed in Canadian Dollars)

4. CAPITAL MANAGEMENT

The capital structure of the Company consists of capital and equity comprising share capital, warrants, reserves and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, 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 properties in which the Company has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis which remains unchanged since March 31, 2024. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS

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:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs that are quoted prices or similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – valuation techniques with significant unobservable market inputs

The Company does not have any level 2 or 3 fair value measurements, and there have been no transfers between levels.

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Marketable securities	2,314,166	-	-	2,314,166
Total financial assets	2,314,166	-	-	2,314,166

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Marketable securities	2,380,833	-	-	2,380,833
Total financial assets	2,380,833	-	-	2,380,833

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(Unaudited - expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

As at March 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial liabilities				
Performance share unit liabilities	663,474	-	-	663,474
Deferred share unit liabilities	1,565,980	-	-	1,565,980
Total financial liabilities	<u>2,229,454</u>	<u>-</u>	<u>-</u>	<u>2,229,454</u>

As at December 31, 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial liabilities				
Performance share unit liabilities	454,748	-	-	454,748
Deferred share unit liabilities	1,157,744	-	-	1,157,744
Total financial liabilities	<u>1,612,492</u>	<u>-</u>	<u>-</u>	<u>1,612,492</u>

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed, which are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to receivables, which is mainly comprised of government tax refunds. Management believes that the credit risk concentration with respect to financial instruments included in the receivables is not significant. The Company holds cash and invests it in interest bearing deposit accounts at its financial institution. Management believes that the associated credit risk for its invested cash is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at March 31, 2024, the Company had cash of \$3,688,845 to settle current liabilities of \$1,064,174. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity or partnering transactions.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company's income or the value of its financial instruments.

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Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS (Continued)

(a) Interest rate risk –The Company’s current policy is to invest excess cash in either interest bearing deposit accounts or Guaranteed Income Certificates (“GICs”) issued by its financial institutions. Management believes it has minimal exposure to interest rate risk.

(b) Foreign exchange risk - The Company transacts certain business in Euro and U.S. Dollars, and therefore is subject to foreign exchange risk on certain receivables, trade payables and cash balances. The Company attempts to mitigate these risks by managing its foreign exchange inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal.

The following table shows the net exposures in US dollars and Euro at March 31, 2024.

	US\$	Euro
Cash and deposits	227,417	294,354
Receivables	-	95,680
Trade payables	-	(205,345)
Net currency exposure	227,417	184,689

Based on the above currency exposures, a 10% change in the value of each currency to the value of the Canadian dollar would impact the Company's net loss by:

	US\$	Euro
	22,742	18,469

(c) Equity risk – The Company is exposed to market risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the value of the marketable securities at March 31, 2024, every 10% increase or decrease in the share prices of these companies would have impacted the loss for the year, up or down, by approximately \$231,416 (December 31, 2023 - \$238,083).

6. RECEIVABLES

A summary of the Company’s receivables is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Harmonized sales tax receivable	37,719	27,289
Value added tax receivable	53,814	111,086
Accrued interest receivable	55,687	68,504
Receivable from partners	140,803	-
	288,023	206,879

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Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024, and 2023

(Unaudited - expressed in Canadian Dollars)

7. MARKETABLE SECURITIES

Marketable securities consist of common shares listed on an active market that have been received pursuant to mineral property option agreements (Note 8). Changes in marketable securities outstanding are as follows:

	March 31, 2024	December 31, 2023
	\$	\$
Cost:		
Opening balance	4,061,335	5,036,335
Additions	-	-
Disposals	-	(975,000)
Ending balance	4,061,335	4,061,335
Fair Value		
Opening balance	2,380,833	5,205,001
Additions	-	-
Disposals	-	(1,076,255)
Realized gain	-	101,255
Unrealized loss	(66,667)	(1,849,168)
Ending balance	2,314,166	2,380,833

The valuation of these shares has been determined in whole by reference to the closing price of the shares on the Exchange or the Canadian Securities Exchange (“CSE”) at each reporting period.

8. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2024

Property	Balance, Beginning of Year	Additions	Receipts From Partners	Option Recoveries	Properties Written Down	Balance, End of Year
Risti	36,795,038	534,760	-	-	-	37,329,798
Launi East	6,183,394	6,615	(12,309)	-	-	6,177,700
Launi West	1,476,606	5,032	-	-	-	1,481,638
Sadin	34,148	14,681	-	-	-	48,829
Kuortis	-	-	-	-	-	-
Lapio	311,775	9,852	-	-	-	321,627
Silasselka	105,792	2,240	-	-	-	108,032
Other	13,941	78,216	(78,216)	-	-	13,941
	44,920,694	651,396	(90,525)	-	-	45,481,565

AURION RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024, and 2023

(Unaudited - expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

As at December 31, 2023

Property	Balance, Beginning of Year	Additions	Receipts From Partners	Option Recoveries	Properties Written Down	Balance, End of Year
Risti	32,863,221	3,931,817	-	-	-	36,795,038
Launi East	6,159,405	220,247	(196,258)	-	-	6,183,394
Launi West	1,464,303	12,303	-	-	-	1,476,606
Sadin	24,643	9,505	-	-	-	34,148
Kuortis	198,135	2,316	(2,316)	-	(198,135)	-
Lapio	162,790	148,985	-	-	-	311,775
Silasselka	-	105,792	-	-	-	105,792
Other	13,941	85,349	(85,349)	-	-	13,941
	40,886,438	4,516,314	(283,923)	-	(198,135)	44,920,694

- (a) On August 13, 2015, the Company signed a binding letter agreement with B2Gold Corp. (“B2Gold”), granting B2Gold the right to earn up to an undivided 75% interest of a project in Finland. On January 18, 2016, a definitive option agreement with B2Gold was formalized.

Pursuant to the terms of the option agreement, B2Gold could earn an initial 51% interest by completing \$5,000,000 in exploration expenditures, paying the Company \$50,000 cash, and issuing 550,000 B2Gold common shares. On August 13, 2019, the Company received a Notice of Exercise of Option from B2Gold confirming that B2Gold had fulfilled its obligations under the option agreement dated January 18, 2016, and that the option was deemed to be exercised. On August 14, 2019, the Company entered into a Shareholders Agreement (“Shareholders Agreement”) with B2Gold for the management and operation of Fingold Ventures Ltd. (“Fingold”) which holds the Kutuvuoma, Ahvenjarvi, Sore-Eksy, Tepsa, Kiekerömaa, and Sinermanpalo properties. As of August 14, 2019, B2Gold held 51% and the Company held 49% of Fingold share capital.

On October 18, 2021, B2Gold provided notice to the Company to exercise its option to acquire an additional 19% interest in Fingold, pursuant to the Shareholders Agreement of August 14, 2019, taking its total interest in Fingold to 70%. On December 7, 2021, the Company received notice from B2Gold that the option to acquire the additional 5% interest was terminated and the ownership interests of B2Gold and the Company in Fingold will remain at 70% and 30% respectively. Effective February 6, 2022, the B2Gold sole funding period ended, and the Company began contributing 30% to the cost of funding all programs and budgets.

AURION RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited - expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

- (b) On October 26, 2021, the Company entered into an option agreement with B2Gold granting B2Gold the option to earn up to a 75% interest in the Company's wholly owned Kuortis Property in northern Finland. Under the terms of the agreement, B2Gold could acquire up to a 75% undivided interest over five years by issuing 50,000 B2Gold common shares and incurring \$2,500,000 in expenditures. Under the First Option, B2Gold could earn the right to acquire a 51% undivided interest in the property by issuing 25,000 B2Gold common shares and incurring a minimum of \$750,000 in expenditures on or before the second anniversary date and, incurring additional expenditures of not less than \$1,750,000 on or before the fifth anniversary date. Under the Second Option, B2Gold could earn the right to acquire an additional 24% undivided interest in the property by completing the First Option and providing notice of same, and, by issuing an additional 25,000 B2Gold common shares and incurring expenditures of not less than \$2,500,000 on or before the fifth anniversary date. On October 13, 2023, the Company received notice from B2Gold that the option has been terminated.
- (c) On November 5, 2021, the Company entered into an option agreement with Kinross Gold Corporation ("Kinross"), granting Kinross the right to earn up to a 70% undivided interest in the Silaskaira property in northern Finland. Under the terms of the agreement, Kinross could earn a 70% undivided interest in the project by making a cash payment of \$100,000 and incurring expenditures of US\$5,000,000 on, or before, the fifth anniversary of the agreement. Kinross agreed to incur a minimum of US\$1,000,000 in exploration expenditures within the first two years, act as the operator and should the Company's interest in the future joint venture be diluted to 10% or less, the Company's interest would be converted to a 2% Net Smelter Returns Royalty ("NSR") on the property. The Company also amended its agreement with Dragon Mining Ltd ("Dragon"), whereby it issued 130,000 common shares of the Company to Dragon to eliminate encumbrances on the Silaskaira property. On July 17, 2023, the Company received notice from Kinross that the option has been terminated.
- (d) On May 29, 2023, the Company entered into an agreement with Dragon to acquire and eliminate all encumbrances on the Kutuvuoma and Silasselka projects, originating from the purchase agreement dated May 23, 2014, for total consideration of €5,000,000 and 37,500 common shares of the Company. In consideration of an initial payment of 37,500 common shares to Dragon, the Company had the exclusive right to eliminate all remaining encumbrances, including a 3% NSR held by Dragon, by paying a total of €5,000,000 in cash, shares, or a combination of both, at the Company's discretion, until September 30, 2023.

On July 27, 2023, the Company entered into an agreement with B2Gold whereby B2Gold agreed to contribute €3,500,000 of the total €5,000,000 cash payment due to Dragon for the repurchase of the 3% NSR covering the Kutuvuoma project which is part of the joint venture between the Company and B2Gold.

The option was closed on September 8, 2023, by the payment of €5,000,000 to Dragon in cash and common shares. €3,500,000 was contributed by B2Gold, €500,000 was paid to Dragon by the Company and €1,000,000 was settled by the issuance of a total of 2,415,410 common shares. The Company's share of the agreement has been accounted for as a contribution to the investment in associate.

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(Unaudited - expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

- (e) On August 21, 2023, the Company signed an option agreement with Kinross granting Kinross the right to earn up to an undivided 70% interest in the Launi East property by incurring a minimum of US\$10,000,000 in exploration expenditures over seven years with US\$2,000,000 being spent in the first two years of signing the agreement.

9. INVESTMENT IN ASSOCIATE

The Company has a 30% equity interest (3,000 common shares) in Fingold which was incorporated on August 14, 2019, subsequent to B2Gold exercising its Option on August 13, 2019, pursuant to the Option Agreement entered into on January 18, 2016 (Note 8).

On October 18, 2021, B2Gold exercised its option to acquire an additional 19% interest in Fingold, taking its total interest in Fingold to 70%. On December 7, 2021, B2Gold terminated its option to acquire an additional 5% interest, leaving the ownership interests of B2Gold and the Company at 70% and 30% respectively. The B2Gold period of sole funding ended on February 6, 2022, and the Company began contributing 30% of capital to Fingold.

	As at March 31, 2024	As at December 31, 2023
	\$	\$
Current assets	979,026	1,275,233
Non-current assets	45,430,084	43,643,944
Current liabilities	186,521	528,125
Loss for the period	797,285	855,228
The Company's percent of ownership	30%	30%

The following table is a reconciliation of the carrying value of the investment in Fingold:

	As at March 31, 2024	As at December 31, 2023
	\$	\$
Opening balance	13,317,316	8,557,034
Investment in associate		
contribution payable to associate	649,912	3,001,810
shares issued for royalty repurchase (see Note 8 (g))	-	1,168,695
cash issued for royalty repurchase (see Note 8 (g))	-	735,727
Proportionate share of loss	(239,185)	(256,568)
Proportionate share of foreign currency translation	138,734	110,618
Dilution loss	-	-
Ending balance	13,866,777	13,317,316

As of March 31, 2024, the Company is obliged to pay \$359,607 (December 31, 2023- \$730,658) to fund its pro rata share of operating expenditures of the joint venture.

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10. RIGHT-OF-USE ASSET

The Company has one office lease for its corporate office space in St. John's, NL. The Company was released from the terms of this lease at May 31, 2022 in conjunction with entering into a new two year lease for its corporate office space in the same building. The continuity of the ROU asset is as follows:

	March 31, 2024	December 31, 2023
	\$	\$
ROU asset, opening balance	6,584	22,385
Less, depreciation of the ROU asset	(3,951)	(15,801)
ROU asset, ending balance	2,633	6,584

11. PROPERTY AND EQUIPMENT

	As at March 31, 2024			As at December 31, 2023		
	Furniture and			Furniture and		
	Computers	Equipment	Total	Computers	Equipment	Total
	\$	\$	\$	\$	\$	\$
Cost:						
Opening balance	280,068	467,348	747,416	272,751	343,288	616,039
Additions	-	-	-	7,317	124,060	131,377
Disposals	-	-	-	-	-	-
Ending balance	280,068	467,348	747,416	280,068	467,348	747,416
Depreciation:						
Opening balance	270,458	301,878	572,336	259,083	243,315	502,398
Additions	1,240	16,201	17,441	11,375	58,563	69,938
Disposals	-	-	-	-	-	-
Ending balance	271,698	318,079	589,777	270,458	301,878	572,336
Carrying value:						
Opening balance	9,610	165,470	175,080	13,668	99,973	113,641
Ending balance	8,370	149,269	157,639	9,610	165,470	175,080

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12. LEASE LIABILITY

The continuity for the lease liability is as follows:

	March 31, 2024 \$	December 31, 2023 \$
Lease liability, opening balance	7,113	23,026
Less, lease payments	(4,375)	(17,489)
Interest expense	107	1,576
Lease liability, ending balance	2,845	7,113
Less, current portion of lease liability	(2,845)	(7,113)
Non-current portion of lease liability	-	-

13. SHAREHOLDERS' EQUITY

Share Capital

Authorized

An unlimited number of common shares with no par value, and

An unlimited number of preferred shares issuable in series.

There were no common shares issued during the three months ended March 31, 2024.

Issued during the year ended December 31, 2023:

On April 12, 2023, the Company completed a marketed private placement and a non-brokered private placement, for an aggregate of 12,151,730 common shares of the Company at a price of \$0.55 per common share for gross proceeds of \$6,683,451.

Under the marketed private placement, a total of 10,909,090 common shares were issued at a price of \$0.55 for gross proceeds of \$5,999,999. The marketed private placement was led by Red Cloud Securities Inc ("Red Cloud") on behalf of a syndicate of agents (the "Agents"). In consideration for their services, the Agents received a cash commission of \$349,438, equal to 6% of the gross proceeds of the marketed private placement, other than in respect to select purchasers, in which case such cash commission was reduced to 3%. Additionally, the Agents received 635,342 broker warrants, such a number equal to 6% of the number of common shares issued under the financing, and other than in respect of select purchasers, in which case such number of broker warrants was reduced to 3%. The broker warrants are exercisable at a price of \$0.55 per common share for a period of two years from the closing. The fair value of the broker warrants granted was estimated at \$254,134 (\$0.40 per warrant) based on the Black-Scholes pricing model, with the following assumptions: risk-free interest rate of 3.79%, volatility of 67%, dividend yield of 0%, forfeiture rate of 0% and an expected life of two years. The Company incurred other costs of \$290,781 in cash for total share issuance costs in connection with the brokered and non-brokered private placement of \$894,354.

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13. SHAREHOLDERS' EQUITY (Continued)

Under the non-brokered financing, a total of 1,242,640 common shares were issued for gross proceeds of \$683,452. The non-brokered financing was fully subscribed by Kinross who exercised their pro rata right granted pursuant to a prior financing to maintain a 9.98% interest in the issued and outstanding shares of the Company.

On July 10, 2023, the Company issued 37,500 common shares at a fair value of \$21,375 pursuant to the terms of an option agreement (Note 8 (d)).

On September 8, 2023, the Company issued 2,415,410 common shares with a fair value of \$1,473,400 pursuant to the terms of an option agreement (Note 8 (d)).

Preferred shares

The preferred shares which have been authorized may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. No preferred shares have been issued from incorporation to March 31, 2024.

Deferred Share Units

The Company has a Deferred Share Unit Plan ("DSU Plan") under which DSUs may be granted to directors, officers and employees of the Company. The purpose of the Company's DSU Plan is to advance the interests of the Company by: (i) aligning the interests of directors, officers and employees with the interests of the shareholders; (ii) encouraging directors, officers and employees to remain associated with the Company; and (iii) furnishing directors, officers and employees with an additional incentive in their efforts on behalf of the Company. DSUs are redeemable upon departure from the Company, at the holder's option, and will be settled in cash. The fair value of DSUs granted will be recorded as a liability, the value of which on any particular date being equal to the market value of the Company shares.

Changes in DSUs outstanding are as follows:

	March 31, 2024		December 31, 2023	
	Granted	Vested	Granted	Vested
Opening balance	3,085,316	1,732,467	2,459,914	1,052,107
Granted	139,344	-	625,402	-
Vested	-	248,877	-	680,360
Ending balance	3,224,660	1,981,344	3,085,316	1,732,467

During the three months ended March 31, 2024, the Company recognized \$408,236 in share-based payment expense relating to DSUs outstanding (December 31, 2023 – \$133,558) with an offset recorded in deferred share unit liability.

As a result of DSUs marked to market at March 31, 2024, the total DSU liability was \$1,565,980 (December 31, 2023 - \$1,157,744).

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13. SHAREHOLDERS' EQUITY (Continued)

The following is a summary of DSUs granted to officers, directors and employees for the three months ended March 31, 2024:

Grant date	# DSUs granted	Market value*	Vesting details
31-Mar-24	139,344	\$ 0.61	1/3 on each of first, second and third anniversaries of grant
	139,344		

* Volume weighted average trading price for 5 days prior to grant date used in determination of DSU awards

The following is a summary of DSUs granted to officers, directors and employees for the year ended December 31, 2023:

Grant date	# DSUs granted	Market value*	Vesting details
31-Mar-23	132,812	\$ 0.64	1/3 on each of first, second and third anniversaries of grant
30-Jun-23	149,122	\$ 0.57	1/3 on each of first, second and third anniversaries of grant
30-Sep-23	173,468	\$ 0.49	1/3 on each of first, second and third anniversaries of grant
31-Dec-23	170,000	\$ 0.50	1/3 on each of first, second and third anniversaries of grant
	625,402		

* Volume weighted average trading price for 5 days prior to grant date used in determination of DSU awards

Performance Share Units

The Company has a Performance Share Unit Plan (“PSU Plan”) under which PSUs may be granted to directors, officers, employees, and consultants of the Company. The purpose of the Company’s PSU Plan is to advance the interests of the Company by providing a cash bonus to participants in the event of a change of control of the Company. PSUs are redeemable upon a change of control of the Company and will be settled in cash. The fair value of PSUs granted will be recorded as a liability, the value of which on any particular date being equal to the market value of the Company shares.

Changes in PSUs outstanding are as follows:

	March 31, 2024		December 31, 2023	
	Granted	Vested	Granted	Vested
Opening balance	1,657,868	443,333	1,330,000	-
Granted	-	-	327,868	-
Vested	-	-	-	443,333
Ending balance	1,657,868	443,333	1,657,868	443,333

During the three months ended March 31, 2024, the Company recognized \$208,726 in share-based payment expense relating to PSUs outstanding (December 31, 2023 - \$43,483) with an offset recorded in performance share unit liability.

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13. SHAREHOLDERS' EQUITY (Continued)

As a result of PSUs marked to market at March 31, 2024, the total PSU liability was \$663,474 (December 31, 2023 - \$454,748).

There were no PSUs granted to officers, directors and employees for the three months ended March 31, 2024.

The following is a summary of PSUs granted to officers, directors and employees for the year ended December 31, 2023:

Grant date	# PSUs granted	Market value*	Vesting details
1-Aug-23	327,868	\$ 0.61	1/3 on each of first, second and third anniversaries of grant
	327,868		

* Volume weighted average trading price for 5 days prior to grant date used in determination of PSU award value

Stock options

The Company has a Stock Option Plan under which options to purchase common shares in the Company may be granted to directors, officers, key employees and consultants of the Company. The maximum number of options which may be granted under the stock option plan is equivalent to 10% of the issued and outstanding common shares of the Company. The exercise price for the options is set by the Company at an amount equal to the Exchange trading price on the day preceding the date the options are granted, less any applicable discount as permitted by the Exchange policies as decided by the Company. The exercise period for the options is determined by the Company at the time the options are granted and shall not exceed ten years. Vesting terms for the options are also determined by the Company at the time of grant.

Changes in stock options outstanding are as follows:

	March 31, 2024		December 31, 2023	
	Number	Weighted-Average Exercise Price (\$)	Number	Weighted-Average Exercise Price (\$)
Opening balance,	9,005,000	1.12	8,290,000	1.25
Granted	-	-	2,500,000	0.65
Expired	-	-	(1,785,000)	1.06
Ending balance	9,005,000	1.12	9,005,000	1.12

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Notes to the Condensed Consolidated Interim Financial Statements

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13. SHAREHOLDERS' EQUITY (Continued)

The following table summarizes information about stock options outstanding and exercisable:

Exercise Price (\$)	Total Outstanding Options			Total Exercisable Options		
	Number of Outstanding Options	Remaining Contractual Life	Weighted-Average Exercise Price (\$)	Number of Exercisable Options	Remaining Contractual Life	Weighted-Average Exercise Price (\$)
0.50	375,000	3.66	0.50	375,000	3.66	0.50
0.65	2,500,000	3.90	0.65	2,500,000	3.90	0.65
1.35	2,105,000	2.82	1.35	2,105,000	2.82	1.35
0.95	1,965,000	1.94	0.95	1,965,000	1.94	0.95
0.95	50,000	2.19	0.95	50,000	2.19	0.95
1.38	100,000	1.33	1.38	100,000	1.33	1.38
1.67	300,000	0.64	1.67	300,000	0.64	1.67
1.78	1,510,000	0.43	1.78	1,510,000	0.43	1.78
1.79	100,000	0.67	1.79	100,000	0.67	1.79
	9,005,000	2.45	1.12	9,005,000	2.45	1.12

Share-based payment reserve

The stock option reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

During the three months ended March 31, 2024, the Company recorded share-based payment expense of \$70,486 which represents the fair value of stock options vested, granted and accrued with offsetting amount credited to reserves.

On February 22, 2023, the Company granted 2,500,000 stock options to directors, officers, employees and consultants, exercisable at a price of \$0.65 per share until February 22, 2028. The fair value of the stock options granted was estimated at \$0.40 per option based on the Black-Scholes option pricing model, with the following assumptions: risk-free interest rate of 2.99%, volatility of 79.49%, dividend yield of 0%, forfeiture rate of 0%, and an expected life of 5 years. The options will vest in two tranches, 50% on August 22, 2023, and 50% on February 22, 2024.

During the three months ended March 31, 2023, the Company recorded share-based payment expense of \$253,183 which represents the fair value of stock options vested, granted and accrued with offsetting amount credited to reserves.

Expired stock options and warrants reserve

The expired stock options and warrants reserve records the value of any stock options or warrants that have expired unexercised.

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13. SHAREHOLDERS' EQUITY (Continued)

Warrants

Changes in warrants outstanding are as follows:

	Number	Weighted-Average Exercise Price (\$)	Number	Weighted-Average Exercise Price (\$)
Opening balance,	635,342	0.55	1,567,549	0.88
Issued	-	-	635,342	0.55
Expired	-	-	(1,567,549)	0.88
Ending balance	635,342	0.55	635,342	0.55

The following table summarizes information about warrants outstanding:

Number of Outstanding Warrants	Exercise Price (\$)	Expiry Date
635,342	0.55	April 12, 2025

14. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
<i>Changes in non-cash working capital</i>	\$	\$
Change in receivables	(93,960)	28,161
Change in prepaid expenses	38,956	(90,579)
Change in trade payables and accrued liabilities	32,383	(146,006)
	(22,621)	(208,424)

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
<i>Non-cash investing and financing activities</i>	\$	\$
Contribution from associate (Note 9)	-	(48,982)
Exploration and evaluation costs remaining in trade payables and accrued liabilities	209,763	209,656
Expiry of warrants	-	(269,092)
Expiry of stock options	-	(1,174,984)

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15. RELATED PARTY TRANSACTIONS

The following represents a summary of transactions with directors and named executive officers (“NEOs”) of the Company:

	For the three months ended	
	March 31,	
	2024	2023
	\$	\$
Matti Talikka, CEO	301,886	192,044
Mark Serdan, CFO	197,962	136,253
Mark Santarossa, VP Corporate Development	82,839	71,584
Other Directors	188,242	153,545
	770,929	553,426
Amounts expensed as:		
Salary and other short-term benefits for the CEO	50,000	50,000
Salary and other short-term benefits for the CFO	37,500	37,500
Consulting Fees paid to the VP Corp Development	31,500	31,500
Directors' Fees	20,000	20,000
Share-based compensation	631,929	414,426
	770,929	553,426

At March 31, 2024, the Company owed the Chairman of the Board, \$222,083 December 31, 2023 - \$216,896) in accrued expenses for travel, office and other costs that were incurred by the Chairman on behalf of the Company since 2019.