

**NV GOLD CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**SIX MONTHS ENDED FEBRUARY 29, 2024 and 2023**  
**(Expressed in Canadian Dollars)**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

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

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

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

**NV GOLD CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars, unless otherwise specified)  
AS AT

	February 29, 2024	August 31, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 47,556	\$ 56,814
Accounts receivable	4,962	85,815
Prepaid expenses	<u>44,300</u>	<u>143,575</u>
	96,818	286,204
<b>Reclamation bonds</b> (Note 5)	114,289	113,961
<b>Right of use asset</b> (Note 9)	35,681	53,105
<b>Exploration advances</b> (Note 6)	3,257	3,161
<b>Exploration and evaluation assets</b> (Note 6)	<u>3,309,035</u>	<u>3,219,602</u>
	<u>\$ 3,559,080</u>	<u>\$ 3,676,033</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 27,947	\$ 38,062
Due to related parties (Note 10)	14,623	3,000
Current portion of lease liability (Note 9)	19,704	37,188
Loans payable to related party (Note 10)	<u>504,484</u>	<u>270,371</u>
	<u>566,758</u>	<u>348,621</u>
<b>Lease liability</b> (Note 9)	<u>15,977</u>	<u>15,917</u>
	<u>582,735</u>	<u>364,538</u>
<b>Shareholders' equity</b>		
Share capital (Note 8)	23,773,351	23,773,351
Share-based payments reserve (Note 8)	3,785,619	3,785,373
Deficit	<u>(24,582,625)</u>	<u>(24,247,229)</u>
	<u>2,976,345</u>	<u>3,311,495</u>
	<u>\$ 3,559,080</u>	<u>\$ 3,676,033</u>

**Nature of operations** (Note 1)  
**Basis of presentation** (Note 2)  
**Events subsequent to the reporting period** (Note 15)

**Approved on behalf of the Board**  
**On April 11, 2024**

\_\_\_\_\_  
*"John Watson"*

Director

\_\_\_\_\_  
*"Alfred Stewart"*

Director

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

**NV GOLD CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars, unless otherwise specified)

	Three Months Ended February 29, 2024	Three Months Ended February 28, 2023	Six Months Ended February 29, 2024	Six Months Ended February 28, 2023
<b>EXPENSES</b>				
Advertising and promotion	\$ 51,812	\$ 65,635	\$ 131,714	\$ 112,703
Bank charges and interest	1,094	1,354	2,348	2,976
Consulting (Note 10)	-	88,721	-	178,036
Insurance	8,345	7,753	16,691	15,507
Loan interest (Note 10)	12,877	-	24,324	-
Office and general	2,394	2,627	5,111	6,418
Professional fees (Note 10)	36,354	52,865	50,497	80,160
Property investigation (recovery) (Note 10)	29,222	(635)	42,082	455
Registration and filing	18,769	16,034	24,307	21,296
Shareholder costs	15,405	8,207	22,871	13,989
Share-based compensation (Notes 8, 10)	-	9,797	246	54,528
Transfer agent	3,698	4,040	3,886	5,271
Travel and related	6	253	666	7,559
	<u>(179,976)</u>	<u>(256,651)</u>	<u>(324,743)</u>	<u>(498,898)</u>
<b>OTHER INCOME (EXPENSES)</b>				
Foreign exchange (loss) gain	(3,784)	11,482	(10,723)	45,480
Interest income	8	3,160	70	8,355
Other income	-	-	-	63,850
Gain on recovery of exploration and evaluation costs (Note 6)	-	-	-	12,082
	<u>(3,776)</u>	<u>14,642</u>	<u>(10,653)</u>	<u>129,767</u>
<b>Loss and comprehensive loss for the period</b>	<b>\$ (183,752)</b>	<b>\$ (242,009)</b>	<b>\$ (335,396)</b>	<b>\$ (369,131)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of shares outstanding</b>				
<b>Basic and diluted</b>	<b>8,874,546</b>	<b>7,993,813</b>	<b>8,874,546</b>	<b>7,993,813</b>

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

**NV GOLD CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars, unless otherwise specified)

	Share Capital		Share-based Payments Reserve	Deficit	Total Shareholders' Equity
	No. of Shares	Amount			
<b>Balance, August 31, 2022</b>	<b>7,993,813</b>	<b>\$ 23,274,276</b>	<b>\$ 3,655,935</b>	<b>\$ (21,506,120)</b>	<b>\$ 5,424,091</b>
Share-based compensation	-	-	54,528	-	54,528
Loss for the period	-	-	-	(369,131)	(369,131)
<b>Balance, February 28, 2023</b>	<b>7,993,813</b>	<b>\$ 23,274,276</b>	<b>\$ 3,710,463</b>	<b>\$ (21,875,251)</b>	<b>\$ 5,109,488</b>
Private placement	880,733	528,440	-	-	528,440
Share issue costs	-	(29,365)	-	-	(29,365)
Share-based compensation	-	-	74,910	-	74,910
Loss for the period	-	-	-	(2,371,978)	(2,371,978)
<b>Balance, August 31, 2023</b>	<b>8,874,546</b>	<b>\$ 23,773,351</b>	<b>\$ 3,785,373</b>	<b>\$ (24,247,229)</b>	<b>\$ 3,311,495</b>
Share-based compensation	-	-	246	-	246
Loss for the period	-	-	-	(335,396)	(335,396)
<b>Balance, February 29, 2024</b>	<b>8,874,546</b>	<b>\$ 23,773,351</b>	<b>\$ 3,785,619</b>	<b>\$ (24,582,625)</b>	<b>\$ 2,976,345</b>

On February 28, 2024, the Company completed a 10 to 1 share consolidation. All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

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

**NV GOLD CORPORATION**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars, unless otherwise specified)

	Six Month Period Ended February 29, 2024	Six Month Period Ended February 28, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (335,396)	\$ (369,131)
Items not affecting cash		
Foreign exchange on reclamation bonds	(328)	(14,728)
Foreign exchange on loans payable	7,459	-
Share-based compensation	246	54,528
Loan interest	24,324	-
Change in non-cash working capital items:		
Accounts receivable	80,853	(4,516)
Prepaid expenses	99,275	(34,602)
Accounts payable and accrued liabilities	(10,115)	(3,360)
Due to related parties	<u>11,623</u>	<u>(22,310)</u>
Net cash provided by (used in) operating activities	<u>122,059</u>	<u>(394,119)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration advances	(3,262)	-
Exploration and evaluation assets	<u>(67,144)</u>	<u>(411,929)</u>
Net cash used in investing activities	<u>(70,406)</u>	<u>(411,929)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans payable to related party	202,330	-
Payments of lease liability	<u>(19,123)</u>	<u>-</u>
Net cash provided by financing activities	<u>183,207</u>	<u>-</u>
<b>Change in cash during the period</b>	(9,258)	(806,048)
<b>Cash, beginning of period</b>	<u>56,814</u>	<u>1,291,948</u>
<b>Cash, end of period</b>	<u>\$ 47,556</u>	<u>\$ 485,900</u>

**Supplemental disclosures with respect to cash flows** (Note 13)

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

**NV GOLD CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars, unless otherwise specified)  
FEBRUARY 29, 2024

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**1. NATURE OF OPERATIONS**

The Company was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company is engaged in the identification, acquisition and exploration of mineral properties. The Company began trading on the TSX Venture Exchange (“TSX-V”) on November 26, 2009 under the trading symbol NVX. The Company began trading in the United States on May 24, 2018 on the OTC Markets under the symbol NVGLF and on the Frankfurt Stock Exchange (“FSE”) on July 1, 2021 under the symbol 8NV.

On February 28, 2024, the Company completed a 10 to 1 share consolidation. All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

The address of the Company’s corporate office is located at Suite 250 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. The registered office is located at 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

**2. BASIS OF PRESENTATION**

a) Statement of Compliance

The condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”), as issued by International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended August 31, 2023.

b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. 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 are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a loss of \$335,396 during the six month period ended February 29, 2024 and, as of that date the Company’s deficit was \$24,582,625. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

**NV GOLD CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**FEBRUARY 29, 2024**

**2. BASIS OF PRESENTATION (cont'd...)**

c) Going Concern of Operations (cont'd...)

	February 29, 2024	August 31, 2023
Working capital deficiency	\$ (469,940)	\$ (62,417)
Deficit	(24,582,625)	(24,247,229)

d) Reclassification

Certain comparative balances have been restated to conform to the current period's presentation.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Principles of consolidation**

These consolidated financial statements include the financial statements of the parent company, NV Gold Corporation, and its subsidiaries listed below:

	Jurisdiction	Nature of Operations	Equity Interest	
			February 29, 2024	August 31, 2023
NV Gold Corporation (USA) Inc. ("NV Gold USA")	Nevada, USA	Exploration	100%	100%
SwissGold Exploration AG ("SwissGold")	Switzerland	Exploration	100%	100%

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances and transactions have been eliminated upon consolidation.



**NV GOLD CORPORATION****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars, unless otherwise specified)

FEBRUARY 29, 2024

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)****Financial instruments****Classification**

The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The following table shows the classification of the Company’s financial instruments:

<b>Asset or Liability</b>	<b>Classification</b>
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost
Due to related parties	Amortized cost
Loans payable to related party	Amortized cost

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

**Measurement**

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

**Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**Financial assets at amortized cost**

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Equity investments at FVOCI**

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

**Debt investments at FVOCI**

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

*Impairment of financial assets at amortized cost:* The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Financial instruments (cont'd...)**

**Financial instrument disclosures**

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Exploration and evaluation assets**

*Pre-exploration costs*

Pre-exploration costs are expensed in the period in which they are incurred.

*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as material used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Mineral property assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Exploration and evaluation assets (cont'd...)**

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**Reclamation bonds**

Cash which is subject to contractual restrictions on use is classified separately as reclamation bonds.

**Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Share-based payment transactions**

Where equity-settled share options are awarded to employees, the fair value of the options is measured on the date of grant using the Black-Scholes option pricing model and is charged to the consolidated statement of loss and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in share-based payments reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Provisions**

*Rehabilitation provision*

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability-specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period which they occur. The Company had no rehabilitation obligations as at February 29, 2024 and August 31, 2023.

*Other provisions*

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

**Loss per share**

Basic loss per share is computed by dividing the loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Foreign currencies**

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

**Leases**

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We assess whether the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset.

As a lessee, we recognize a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**New standards**

The following revised IFRS have been issued and effective as at February 29, 2024:

- IAS 1, *Presentation of Financial Statements* – The amendment clarifies how to classify debt and other liabilities as either current or non-current and to disclose material accounting policy information, instead of significant accounting policies. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023.
- IAS 8, *Definition of Accounting Estimates* – The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.
- IAS 12, *Income Taxes* – The amendment will require companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments will typically apply to transactions such as leases for the lessee and decommissioning and restoration obligations related to assets in operation. This amendment is effective for financial statements beginning on or after January 1, 2023.

These accounting standards do not have a significant effect on the Company’s accounting policies or consolidated financial statements.



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#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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 consolidated statement of loss and comprehensive loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Share-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment 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. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 8.

#### **5. RECLAMATION BONDS**

The Company has refundable reclamation bonds of \$114,289 (US\$84,222) (2023 - \$113,961 (US\$84,222)) comprising of a reclamation bond held with the Bureau of Land Management in the State of Nevada, USA.

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**6. EXPLORATION AND EVALUATION ASSETS**

The following exploration and evaluation assets expenditures were incurred on the Company's mineral properties.

<b>For the six month period February 29, 2024</b>	SW Pipe Project	Slumber Project	Triple T Project	Other Projects	Swiss Permits	Total
Acquisition cost, Balance August 31, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	-	-	-	-	-	-
Total acquisition cost - February 29, 2024	-	-	-	-	-	-
Exploration cost - August 31, 2023	\$ 329,102	\$ 2,089,492	\$ 250,234	\$ 550,773	\$ 1	\$ 3,219,602
Additions						
Assays and sample storage	-	-	-	-	228	228
Claim filing and registration	-	-	926	-	6,085	7,011
Field office expenses	-	-	-	19,592	-	19,592
Geological consulting	12,553	12,553	19,093	14,417	-	58,616
Site access and preparation	-	-	-	3,986	-	3,986
Exploration costs - during the year	12,553	12,553	20,019	37,995	6,313	89,433
Write-off of exploration and evaluation costs	-	-	-	-	-	-
<b>Total exploration and evaluation assets, February 29, 2024</b>	<b>\$ 341,655</b>	<b>\$ 2,102,045</b>	<b>\$ 270,253</b>	<b>\$ 588,768</b>	<b>\$ 6,314</b>	<b>\$ 3,309,035</b>

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

<b>For the year ended August 31, 2023</b>	SW Pipe Project	Slumber Project	Triple T Project	Other Projects	Sandy Gold Project	Swiss Permits	Total
Acquisition cost, Balance August 31, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Additions	-	-	-	-	-	-	-
Total acquisition cost - August 31, 2023	-	-	-	-	-	-	-
Exploration cost - August 31, 2022	\$ -	\$ 1,952,920	\$ 1	\$ 630,449	\$ 1,245,908	\$ 1	\$ 3,829,279
Additions							
Assays and sample storage	11,586	2,558	39,786	28,517	22,500	906	105,853
Claim filing and registration	21,283	22,059	11,142	34,551	-	5,409	94,444
Drilling and related	178,348	-	101,795	110,932	56,528	-	447,603
Field office expenses	-	-	-	34,900	-	-	34,900
Geological consulting	68,286	41,038	40,738	44,773	31,172	-	226,007
Geological surveying	19,658	-	-	-	-	-	19,658
Land management and royalties	4,119	62,204	26,934	726	-	-	93,983
Maps and software	3,003	-	-	-	-	-	3,003
Materials and supplies	8,178	5,690	1,737	735	476	-	16,816
Meals and lodging	1,240	806	786	199	119	-	3,150
Site access and preparation	6,478	-	25,453	-	4,983	-	36,914
Travel and transport	6,923	2,217	1,862	3,613	2,996	-	17,611
Exploration costs - during the year	329,102	136,572	250,233	258,946	118,774	6,315	1,099,942
Write-off of exploration and evaluation costs	-	-	-	(338,622)	(1,364,682)	(6,315)	(1,709,619)
<b>Total exploration and evaluation assets, August 31, 2023</b>	<b>\$ 329,102</b>	<b>\$ 2,089,492</b>	<b>\$ 250,234</b>	<b>\$ 550,773</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 3,219,602</b>

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

Below is a summary of the exploration and evaluation assets that have been grouped as Other Projects:

	Balance August 31, 2022		Additions	Write Downs	Balance August 31, 2023		Additions	Balance February 29, 2024	
Redstar Nevada Properties	\$	1	\$ 57,301	\$ (57,301)	\$	1	\$ 19,592	\$	19,593
Cooks Creek Project		1	2,252	(2,252)		1	-		1
Greengold Project		1	2,737	(2,737)		1	-		1
Cone Project		1	-	(1)		-	-		-
Darby Flats Project		1	1,535	(1,535)		1	-		1
Discovery Bay Project		530,593	20,176	-		550,769	18,403		569,172
Discovery X Project		34,228	-	(34,228)		-	-		-
Gold Bell Project		1	-	(1)		-	-		-
Pickhandle Project		65,621	174,945	(240,566)		-	-		-
Spanish Canyon Project		1	-	(1)		-	-		-
	\$	630,449	\$ 258,946	\$ (338,622)	\$	550,773	\$ 37,995	\$	588,768

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge title to all of its properties is in good standing.

**SW Pipe Project (Nevada, USA)**

The Company staked unpatented mining claims in Lander County, Nevada. The claims, collectively are named the SW Pipe Project.

On April 23, 2021, the Company entered into an Exploration Earn-In Agreement (“Agreement”) with Hochschild Mining (US) Inc. (“HOC US”), a subsidiary of Hochschild Mining PLC (“Hochschild”), with respect to SW Pipe. Pursuant to the terms of the Agreement, the Company received \$63,590 (US\$50,000) as an option payment and earned \$27,899 in management fee income. Effective, August 27, 2022, HOC US terminated the Agreement.

**Slumber Gold Project (Nevada, USA)**

On May 30, 2019, the Company announced that it executed a binding letter of intent (the “LOI”) with a two private individuals (the “Vendors”) providing the Company the right to enter into a lease agreement to lease an undivided 100% right, title and interest in the Slumber Gold Property in Nevada.

The Slumber Gold Property is located in Winnemucca, Humboldt County, Nevada.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)****Slumber Gold Project (Nevada, USA) (cont'd...)**

On July 29, 2019, the Company formalized an LOI and entered into a Mining Lease and Surface Use Agreement (“Lease”) with the Vendors. The Company is subject to incur minimum annual work commitments as follows:

US\$25,000	First anniversary date (incurred)
US\$50,000	Second anniversary date (incurred)
US\$75,000	Third anniversary date (incurred)
US\$75,000	Fourth anniversary date (incurred)
US\$100,000	Fifth and each anniversary date thereafter

The Company is also required to make Advance Minimum Royalty Payments to the Vendors until production of minerals is achieved as follows:

US\$10,000	Upon execution of the Lease (paid)
US\$15,000	First anniversary date (paid)
US\$25,000	Second anniversary date (paid)
US\$35,000	Third anniversary date (paid)
US\$45,000	Fourth anniversary date (paid)
US\$50,000	Fifth anniversary date and annually thereafter as long as the Lease remains in effect

**Triple T Project (Nevada, USA)**

During the year ended August 31, 2021, the Company entered into a lease agreement for the Triple T Project located in Pershing County, Nevada and subject to a 2.5% NSR.

The annual lease payments are as follows:

- US\$15,000 on the first anniversary (paid)
- US\$20,000 on the second anniversary (paid)
- US\$30,000 on the third anniversary
- US\$40,000 on the fourth anniversary
- US\$ 50,000 on the fifth and subsequent anniversaries

The annual work commitments are as follows:

- US\$25,000 on the first anniversary (incurred)
- US\$50,000 on the second anniversary (incurred)
- US\$75,000 on the third anniversary
- US\$75,000 on the fourth anniversary
- US\$100,000 on the fifth and subsequent anniversaries

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

**Other Projects**

*Redstar Nevada Properties (Nevada, USA)*

On September 29, 2016 the Company completed its acquisition of the Nevada assets of Redstar Gold Corp. (“Redstar”) according to the detailed terms of the agreement (the “Purchase Agreement”). These assets consist of a 100% interest in 11 exploration projects in Nevada (“Redstar Nevada Properties”), 4 of which are subject to NSRs, as well as the AngloGold-Ashanti database (the “Database”).

The Company acquired the Database and the 11 Redstar Properties by issuing to Redstar a total of 6,172,730 common shares of the Company, resulting in Redstar owning 29.9% of the Company’s outstanding common shares upon completion of the transaction. The shares were valued at \$2,160,455. Of this value, \$1,692,357 (\$342,072 allocated to the Cooks Creek Project) was recognized as exploration and evaluation assets acquisition costs and \$468,098 was recognized as geological database expense and charged to operations during the year ended August 31, 2017.

The Redstar Properties are currently comprised of the following projects:

<b>Project Name</b>	<b>County in State of Nevada</b>
Gold Cloud	Eureka
Larus	Eureka
Long Island	Nye
Oasis	Esmeralda
Painted Hills	Humboldt
Queens	Nye
Richmond Summit	Eureka
Root Spring	Pershing
Seven Devils	Pershing

During the years ended August 31, 2023 and 2022, the Company wrote down the claims to \$1 and charged \$57,301 (2022 - \$92,029) in capitalized costs to operations. The claims that comprise the Redstar Properties remain in good standing.

*Cooks Creek Project (Nevada, USA)*

The Cooks Creek Project consists of unpatented mining claims in Lander County, Nevada. These claims consisted of one of the 11 exploration projects in Nevada acquired from Redstar on September 29, 2016. During the year ended August 31, 2023, the Company wrote down the claims to \$1 and charged \$2,252 in capitalized costs to operations. The claims remain in good standing.

*Green Gold Project (Nevada, USA)*

The Company staked unpatented mining claims in Pershing County, Nevada. The claims, collectively named the Green Gold Project. During the year ended August 31, 2023, the Company wrote down the claims to \$1 and charged \$2,737 in capitalized costs to operations. The claims remain in good standing.

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**6. EXPLORATION AND EVALUATION ASSETS (cont'd...)***Cone Project (Nevada, USA)*

During the year ended August 31, 2021, the Company staked claims consisting of the Cone Project, located in Eureka County, Nevada. During the year ended August 31, 2023, the Company did not renew these claims and charged \$1 (2022 - \$40,952) in capitalized costs to operations.

*Darby Flats Project (Nevada, USA)*

During the year ended August 31, 2021, the Company staked claims consisting of the Darby Flats Project, located in Elko County, Nevada. During the year ended August 31, 2023, the Company wrote down the claims to \$1 and charged \$1,535 in capitalized costs to operations. The claims remain in good standing.

*Discovery Bay Project (Nevada, USA)*

During the year ended August 31, 2021, the Company staked unpatented mining claims consisting of the Discovery Bay Project, located in Lander County, Nevada.

*Discovery X Project (Nevada, USA)*

During the year ended August 31, 2021, the Company entered into a lease agreement for claims consisting of the Discovery X Project located in Lander County, Nevada and subject to a 2% NSR. During the year ended August 31, 2023, the Company terminated the lease agreement and charged \$34,228 in capitalized costs to operations.

*Gold Bell Project (Nevada, USA)*

During the year ended August 31, 2021, the Company entered into a lease agreement for the claims consisting of the Gold Bell Project located in Mineral County, Nevada and subject to a 2.5% NSR. During the year ended August 31, 2022, the Company wrote down the claims to \$1 and charged \$53,398 in capitalized costs to operations. During the year ended August 31, 2023 the Company terminated the lease agreement and charged \$1 in capitalized costs to operations.

*Pickhandle Project (Nevada, USA)*

During the year ended August 31, 2021, the Company entered into a lease agreement for the claims consisting of the Pickhandle Project located in Lander County, Nevada and subject to a 2% NSR. During the year ended August 31, 2023 the Company terminated the lease agreement and charged \$240,566 in capitalized costs to operations.

*Spanish Canyon Project (Nevada, USA)*

During the year ended August 31, 2021 the Company entered into a lease agreement for the claims consisting of the Spanish Canyon Project located in Nye County, Nevada and subject to a 2.5% NSR. During the year ended August 31, 2022, the Company wrote down the claims to \$1 and charged \$76,550 in capitalized costs to operations. During the year ended August 31, 2023, the Company terminated the lease agreement and charged \$1 in capitalized costs to operations.

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#### **6. EXPLORATION AND EVALUATION ASSETS (cont'd...)**

##### **Sandy Gold Project (Nevada, USA)**

The Company acquired a 100% control of the Sandy Gold Project, located in Lyon County, Nevada, by staking available ground over and around the gold project. On August 1, 2023, the Company entered into a Purchase and Sale Agreement (“Agreement”) with Anchor Minerals, Inc. (“Anchor”), a private US company, to sell its interest in the Sandy Gold Project. The Company received cash of \$26,934 (US\$20,000) from Anchor while retaining a 1.5% NSR on the project. As a result of the sale, the Company charged \$1,364,682 in capital costs on the project to operations for the year ended August 31, 2023.

##### **Swiss Permits (Switzerland)**

The Company, through its Swiss subsidiary, SwissGold, was issued a five year exploration permit (“Permit”) for gold and precious metals that covered an area within the Communes of Medel/Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. During the year ended August 31, 2019, the Permit was extended for a 5-year term. Under the terms of the Permit, the Company must:

- a) pay an initial fee of Swiss Francs 4,500 (paid);
- b) pay an annual fee of Swiss Francs 4,500 (paid);
- c) incur exploration expenditures of Swiss Francs 120,000 before the end of 2015; and
- d) incur exploration expenditures of Swiss Francs 100,000 annually thereafter during the first term of the permit to maintain the Permit in good standing.

Excess expenditures may be carried forward to meet expenditure requirements in future years. Also, the Communes can issue a mining concession to the Company subject to: (i) completion of a satisfactory feasibility study; (ii) completion of an environmental impact study; and (iii) consent from each of the three municipal bodies in the Communes.

In prior fiscal years the Company received written confirmation from the Communes regarding future work commitment obligations whereby the Company was provided with relief from incurring exploration expenditures. The minimum exploration expenditures commitment was not required for 2023. The Company wrote down the Swiss Permits to \$1 and charged \$6,315 (2022 - \$4,854) in capitalized costs to operations. The Swiss Permits remain in good standing.

##### **Exploration advances**

During the three month period ended November 30, 2023, the Company incurred \$3,173 (August 31, 2023 - \$3,161) as exploration advances on exploration and evaluation assets.



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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are comprised of the following:

	February 29, 2024	August 31, 2023
Accrued liabilities	\$ -	\$ 33,000
Trade payables	<u>27,947</u>	<u>5,062</u>
Total	<u>\$ 27,947</u>	<u>\$ 38,062</u>

**8. SHAREHOLDERS' EQUITY**

*Authorized:*

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

The Company did not issue any common shares during the six month period ended February 29, 2024.

On February 28, 2024, the Company completed a 10 to 1 share consolidation. All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

During the year ended August 31, 2023, the Company issued:

- 8,807,334 units at \$0.06 per unit for gross proceeds of \$528,440 pursuant to a non-brokered private placement that was closed on April 19, 2023. Each unit consists of one common share and one half of one non-transferable share purchase warrant. Each whole warrant is exercisable into one common share at \$0.12 per share expiring April 19, 2025 subject to an acceleration provision should the Company's common shares have a closing price of \$0.30 per common share for a period of 10 consecutive trading days. The Company paid an aggregate of \$3,780 in finder's fees to arm's length parties and incurred other share issuance costs of \$25,585.

**Stock options**

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares. The options can be granted for a maximum of 5 years and vest as determined by the board of directors. The exercise price of each option may not be less than the fair market value of the common shares.

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**8. SHAREHOLDERS' EQUITY (cont'd...)**

**Stock options (cont'd...)**

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, August 31, 2022	739,500	\$ 0.02
Granted	147,500	0.01
Expired/cancelled	<u>(81,500)</u>	0.04
Outstanding, August 31, 2023	805,500	0.20
Expired/cancelled	<u>(342,500)</u>	0.04
Outstanding, February 28, 2024	463,000	\$ 0.19
Exercisable, February 28, 2024	463,000	\$ 0.19

Stock options outstanding at February 29, 2024 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
25,000	25,000	\$ 0.075	October 3, 2024
12,500	12,500	\$ 0.38	August 23, 2025
67,500	67,500	\$ 0.20	June 11, 2025
50,000	50,000	\$ 0.40	October 8, 2025
25,000	25,000	\$ 0.40	October 28, 2025
80,500	80,500	\$ 0.50	May 25, 2026
30,000	30,000	\$ 0.35	June 22, 2026
7,500	7,500	\$ 0.20	December 2, 2026
60,000	60,000	\$ 0.10	June 13, 2027
<u>105,000</u>	<u>105,000</u>	\$ 0.07	April 25, 2028
463,000	463,000		

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**8. SHAREHOLDERS' EQUITY (cont'd...)**

**Warrants**

Warrants transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2022	1,200,000	\$ 0.40
Issued	<u>440,367</u>	0.12
Outstanding, August 31, 2023 and February 29, 2024	<u>1,640,367</u>	\$ 0.32
Exercisable, February 29, 2024	<u>1,640,367</u>	\$ 0.32

Warrants outstanding at February 29, 2024 are as follows:

Number of Warrants	Exercise Price	Expiry Date
1,200,000	\$ 0.40	May 25, 2024
<u>440,367</u>	0.12	April 19, 2025 <sup>(A)</sup>
1,640,367		

- i) Subject to an acceleration provision should the Company's common shares have a closing price of \$0.30 per common share for a period of 10 consecutive trading days.

**Share-based compensation**

During the six month period ended February 29, 2024, the Company recognized \$246 (2023 - \$54,528) in share-based compensation on stock options that vested during the current period. The Company granted Nil (2023 - 250,000) stock options with a fair value of \$Nil (2022 - \$0.043). The fair value of share-based compensation was calculated using the Black-Scholes option-pricing model.

The following assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	February 29, 2024	February 28, 2023
Risk-free interest rate	-	3.76%
Expected life of options	-	2 years
Annualized volatility	-	110.29%
Forfeiture rate	-	0.0%
Dividend rate	-	0.0%

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**9. LEASE**

During the year ended August 31, 2023, the Company entered into an office lease. The lease liability has been measured by discounting future lease payments at the incremental borrowing rate of 8% per annum and represents the Company's best estimate of the rate of interest that it would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in the current economic environment.

The following summarizes the undiscounted minimum lease payments under the lease liability as at February 29, 2024:

<b>Fiscal year</b>	<b>Payment</b>
2024	\$ 29,163
2025	16,298
Amount representing future lease accretion	(9,780)
Lease liability as at February 29, 2024	\$ 35,681

The following is a reconciliation of the changes in the lease liability:

	<b>February 29, 2024</b>	<b>August 31, 2023</b>
Opening balance	\$ 53,105	\$ -
Additions	-	70,807
Lease accretion	1,699	4,424
Payments	(19,123)	(22,126)
	35,681	53,105
Current portion of lease liability	(19,704)	(37,188)
Lease liability	\$ 15,977	\$ 15,917

The following is a reconciliation of the changes in the right of use asset:

	<b>February 29, 2024</b>	<b>August 31, 2023</b>
Opening balance	\$ 53,105	\$ -
Additions	-	70,807
Amortization	(17,424)	(17,702)
Right of use asset	\$ 35,681	\$ 53,105

During the six month period ended February 29, 2024, the Company capitalized the lease accretion and amortization totaling \$19,123 (2023 - \$Nil) to Exploration and Evaluation Assets under Redstar Nevada Properties.

**10. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties during the six month period ended February 29, 2024:

- i) Paid or accrued \$Nil (2023 - \$177,930) in consulting fees to a director and the former CEO of the Company.
- ii) Paid or accrued \$26,275 (2023 - \$52,130) in fees which are recorded as professional fees to a company controlled by an officer and a former officer of the Company.
- iii) Paid or accrued \$66,071 (2023 - \$111,284) in consulting fees to an officer of the Company of which \$58,617 (2023 - \$111,284) have been capitalized as exploration and evaluation costs and \$7,454 (2023 - \$Nil) have been expensed to property investigation costs.

During the six month period ended February 29, 2024, Company received a loan of \$202,330 (US\$150,000) (2023 - \$Nil) from a director of the Company at an interest rate of 12% per annum. The loan is due on demand within a one-year period. This is in addition to the \$265,200 (US\$200,000) received from the director during the year ended August 31, 2023. During the six month period ended February 29, 2024, \$24,324 (2023 - \$Nil) in interest has been accrued on the loans from the director. As of February 29, 2024, \$504,484 (August 31, 2023 - \$270,371) is due to the director as total principal and accrued interest.

Included in due to related parties as of February 29, 2024 is \$14,623 (August 31, 2023 - \$3,000) due to officers and a company controlled by an officer of the Company. The amounts are non-interest bearing and unsecured.

**Key Management Compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Other than disclosed above, there was no other compensation paid to key management during the six month period ended February 29, 2024 and 2023.

## **11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

### **Fair value**

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2– inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at February 29, 2024, the Company’s financial instruments are comprised of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, lease liabilities and due to related parties. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, loans payable, lease liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

### **Financial risk factors**

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company’s receivables consist of GST recoverable from the Canadian Government. The Company does not believe it is subject to significant credit risk.

#### *Liquidity risk*

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at February 29, 2024, the Company had a cash balance of \$47,556 to settle current liabilities of \$566,758. All of the Company’s financial liabilities are subject to normal trade terms.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

**Financial risk factors (cont'd...)**

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and its interest-bearing debt are at a fixed rate with a related party. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity 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. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(c) Foreign currency risk

The Company has two foreign subsidiaries whose operations are in the United States and Switzerland respectively, which exposes the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar, United States dollar and the Swiss Franc. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

**12. 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 acquisition and exploration 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 that it manages as shareholders' equity.

The Company is 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 sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

**NV GOLD CORPORATION**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars, unless otherwise specified)  
**FEBRUARY 29, 2024**

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**13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the six month period ended February 29, 2024 included:

- a) Amortization of \$17,424 and lease accretion of \$1,699 capitalized to exploration and evaluation assets
- b) Exploration advances of \$3,166 were allocated to exploration and evaluations assets

Significant non-cash transactions during the six month period ended February 28, 2023 included:

- a) Share issue costs of \$2,383 are accrued in accounts payable and accrued liabilities

**14. SEGMENTED INFORMATION**

The Company has one reportable operating segment which is the acquisition and exploration of mineral properties. The Company has mineral properties located geographically as follows:

<b>Exploration and evaluation assets</b>	February 29, 2024	August 31, 2023
United States of America	\$ 3,302,721	\$ 3,219,601
Switzerland	<u>6,314</u>	<u>1</u>
Total	\$ 3,309,035	\$ 3,219,602

**15. EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

On March 14, 2024, the Company received a loan of US\$50,000 from a director of the Company at an interest rate of 12% per annum. The loan is due on demand within a one-year period.