2024

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Unaudited)

(Expressed in Canadian dollars)

TREASURY METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars) (Unaudited)

($)	March 31 2024	December 31 2023
Assets		
Current assets		
Cash and cash equivalents (Note 5)	**7,145,241**	9,430,567
Accounts receivable and prepaid expenses (Note 6)	**1,449,431**	1,586,990
Investments (Note 7)	**664,729**	665,911
Total current assets	**9,259,401**	11,683,468
Non-current assets		
Property and equipment (Note 8)	**2,569,734**	2,620,606
Mineral properties (Note 9)	**103,379,208**	103,379,208
Total non-current assets	**105,948,942**	105,999,814
Total assets	**115,208,343**	117,683,282
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	**448,549**	1,118,576
Current portion of lease liability (Note 11)	**104,237**	109,951
Convertible debenture (Note 12)	**7,746,544**	7,366,850
Derivative liability (Note 12)	**31,478**	59,544
Current portion of SRSR payment obligation (Note 13)	**1,953,289**	1,860,845
Flow-through premium (Note 14)	–	102,578
Total current liabilities	**10,284,097**	10,618,344
Non-current liabilities		
Long-term portion of lease liability (Note 11)	**120,154**	141,886
SRSR payment obligation (Note 13)	**7,138,640**	7,462,089
Total non-current liabilities	**7,258,794**	7,603,975
Total liabilities	**17,542,891**	18,222,319
Shareholders' Equity		
Capital stock (Note 15)	**216,925,883**	216,257,231
Warrants (Note 16)	**918,209**	918,209
Contributed surplus	**27,420,724**	27,283,223
Deficit	**(146,574,621)**	(143,974,139)
Accumulated other comprehensive loss	**(1,024,743)**	(1,023,561)
	97,665,452	99,460,963
Total liabilities and shareholders' equity	**115,208,343**	117,683,282

Nature of Operations and Going Concern (Note 1)
Commitments and Contractual Obligations and Contingencies (Note 20)
Subsequent events (Note 22)

SIGNED ON BEHALF OF THE BOARD

(Signed) *"Margot Naudie"*
Director

(Signed) *"James Gowans"*
Director

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

TREASURY METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS
(Expressed in Canadian Dollars) (Unaudited)

	For the periods ended	
($)	**March 31 2024**	March 31 2023
Expenses		
Exploration and evaluation (Note 18)	**959,552**	2,366,188
Administrative, office and shareholder services	**155,985**	281,542
Professional fees	**152,448**	54,989
Salary and benefits	**568,522**	964,775
Amortization (Note 8)	**50,872**	50,234
Share-based payments (Note 17)	**146,036**	637,762
Accretion of long-term debt (Note 12 & Note 13)	**225,638**	360,758
Finance expense	**101,496**	7,858
Foreign exchange loss (gain)	**370,577**	(16,645)
Loss(gain) on fair value change of derivative liability(Note 12)	**(28,066)**	40,149
Loss before income tax	**(2,703,060)**	(4,747,610)
Income from recognition of flow-through premium (Note 14)	**102,578**	–
Net Loss for the period	**(2,600,482)**	(4,747,610)
Loss per share - basic and diluted	**(0.01)**	(0.03)
Weighted average number of shares outstanding	**181,984,143**	140,181,181

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

TREASURY METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OTHER COMPREHENSIVE LOSS
(Expressed n Canadian Dollars) (Unaudited)

($)	For the periods ended March 31, 2024	March 31, 2023
Net loss for the period	**(2,600,482)**	**(4,747,610)**
Other comprehensive income (loss)		
Items to be reclassified to profit or loss in subsequent periods		
Fair value on equity investments, net of taxes	**(1,182)**	**164,704**
Other comprehensive income (loss) for the period	**(1,182)**	**164,704**
Total comprehensive loss for the period	**(2,601,664)**	**(4,582,906)**

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

TREASURY METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars) (Unaudited)

($)	Common Shares	Capital Stock	Warrants	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance, January 1, 2023	**138,168,087**	**209,595,606**	–	**26,102,719**	**(130,587,928)**	**(1,025,039)**	**104,085,358**
Share-based payments - compensation (Note 17)	–	–	–	65,895	–	–	65,895
Share-based payments - restricted share units (Note 17)	–	–	–	571,867	–	–	571,867
Restricted share units redeemed (Note 17)	420,271	131,070	–	(131,070)	–	–	–
Share issued for repayment of SRSR obligation (Note 13)	2,234,858	672,133	–	–	–	–	672,133
Returned shares	(22)	–	–	–	–	–	–
Net income (loss) for the period	–	–	–	–	(4,747,610)	–	(4,747,610)
Other comprehensive income (loss) for the period	–	–	–	–	–	164,704	164,704
Balance, March 31, 2023	**140,823,194**	**210,398,809**	–	**26,609,411**	**(135,335,538)**	**(860,335)**	**100,812,347**
Share-based payments - compensation (Note 17)	–	–	–	65,455	–	–	65,455
Share-based payments - restricted share units (Note 17)	–	–	–	611,241	–	–	611,241
Restricted share units redeemed (Note 17)	16,964	2,884	–	(2,884)	–	–	–
Flow-through share issuance (Note 14)	3,115,265	841,122	–	–	–	–	841,122
Issuance of warrants at fair value (Note 16)	–	–	464,995	–	–	–	464,995
Share issued for repayment of SRSR obligation (Note 13)	4,690,598	1,339,140	–	–	–	–	1,339,140
Returned shares	(17,122)	–	–	–	–	–	–
Shares issued in private placement	29,603,572	4,144,500	–	–	–	–	4,144,500
Share issue costs	–	(16,010)	–	–	–	–	(16,010)
Issuance of Warrants at fair value (Note 16)	–	(453,214)	453,214	–	–	–	–
Net income (loss) for the period	–	–	–	–	(8,638,601)	–	(8,638,601)
Other comprehensive income (loss) for the period	–	–	–	–	–	(163,226)	(163,226)
Balance, January 1, 2024	**178,232,471**	**216,257,231**	**918,209**	**27,283,223**	**(143,974,139)**	**(1,023,561)**	**99,460,963**
Share-based payments - compensation (Note 17)	–	–	–	16,750	–	–	16,750
Share-based payments - restricted share units (Note 17)	–	–	–	129,285	–	–	129,285
Restricted share units redeemed (Note 17)	71,124	8,534	–	(8,534)	–	–	–
Share issued for repayment of SRSR obligation (Note 13)	4,127,879	667,379	–	–	–	–	667,379
Share issue costs		(7,261)	–	–	–	–	(7,261)
Net income (loss) for the period	–	–	–	–	(2,600,482)	–	(2,600,482)
Other comprehensive income (loss) for the period	–	–	–	–	–	(1,182)	(1,182)
Balance, March 31, 2024	**182,431,474**	**216,925,883**	**918,209**	**27,420,724**	**(146,574,621)**	**(1,024,743)**	**97,665,452**

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

TREASURY METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars) (Unaudited)

	For the periods ended	
($)	**March 31, 2024**	March 31, 2023
Cash and cash equivalents (used in) provided by:		
Operating Activities		
Net loss for the period	**(2,600,482)**	(4,747,610)
Adjustments for:		
Amortization (Note 8)	**50,872**	50,234
Deferred income tax (recovery) expense	**(102,578)**	–
Share-based payments (Note 17)	**146,036**	637,762
Accretion on SRSR payment obligation (Note 13)	**217,081**	260,148
Accretion on the convertible debenture (Note 12)	**8,556**	100,610
Loss (gain) on fair value change of derivative liability (Note 12)	**(28,066)**	40,149
Foreign exchange (gain) loss	**370,577**	(18,785)
Finance expense & Income	**222,888**	180,170
Net change in non-cash working capital items:		
Accounts receivable and prepaid expenses	**137,559**	262,433
Accounts payable and accrued liabilities	**(670,027)**	(655,289)
Net cash flows used in operating activities	**(2,247,584)**	(3,890,178)
Financing Activities		
Share issue costs	**(7,261)**	–
Payment of lease liabilities	**(30,481)**	(30,877)
Net cash flows provided by (used in) financing activities	**(37,742)**	(30,877)
Increase (decrease) in cash and cash equivalents	**(2,285,326)**	(3,921,055)
Cash and cash equivalents, beginning of period	**9,430,567**	16,020,110
Cash and cash equivalents, end of period	**7,145,241**	12,099,055

Supplementary cash flow information		
Changes in non-cash activities:		
Payment of debt with shares (Note 13)	**667,379**	672,133
Capitalized interest on convertible debenture (Note 12)	**189,763**	175,836

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Treasury Metals Inc. (the "Company" or "Treasury Metals") is incorporated under the laws of Ontario and listed on the Toronto Stock Exchange under the symbol "TML". The address of the Company's registered office is 15 Toronto Street, Suite 401, Toronto, Ontario, Canada M5C 2E3. The mineral properties of Treasury Metals are all located in Canada and are in the exploration stage. The recoverability of the amounts shown on the consolidated statements of financial position for mineral properties is dependent upon the existence of economically recoverable mineral reserves, maintaining beneficial interest in its properties and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or the proceeds from the disposition of the properties. The Company's success depends on the successful development of the properties and corresponding permitting and feasibility study. Based upon its current operating and financial plans, management of the Company believes that it will have sufficient access to financial resources (debt and equity), in the near term, to fund the Company's planned operations and development of the Goliath Gold Complex.

The condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has not generated revenue from operations. On March 31, 2024, the Company's working capital was $6,754,326 (December 31, 2023 – $8,594,096) excluding convertible debenture, derivative liability, and flow-through share premium. For the period ended March 31, 2024, the Company incurred a net loss of $2,600,482 (March 31, 2023 – net loss of $4,474,610), had cash outflows from operations of $2,247,584 (March 31, 2023 - $3,890,178), had not yet achieved profitable operations, had accumulated losses of $146,574,621 (December 31, 2023 – $143,974,139) and expects to incur further losses in the development of its business. Should the Company be unable to raise sufficient financing to maintain operations, the Company may be unable to realize the carrying value of its net assets. These uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to carrying amounts of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and their interpretations issued by the IFRS Interpretations Committee which have been consistently applied.

The accounting policies used in these condensed consolidated interim financial statements are consistent with those disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2023. These condensed consolidated interim financial statements do not include certain information and disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements were approved by the Company’s Board of Directors on May 13, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned Canadian subsidiary Goldeye Explorations Ltd.

Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its wholly-owned Canadian subsidiary.

3. NEW ACCOUNTING STANDARDS ISSUED

Effective January 1, 2024, the Company has adopted amendments to *IAS 1, Presentation of Financial Statements* ("IAS 1"), relating to the classification of liabilities as current or non-current.

The Company 's convertible debenture has a conversion option, which gives the holder the right to exercise the option at any time up to maturity date. As the holder has the right to convert at any time and the Company does not have the right to defer settlement of the debenture for at least twelve months after the end of the reporting period, the debenture has been reclassified to current liabilities.

Previously the Company reported the convertible debenture (Note 12) as a non-current liability, as the maturity date of the liability is June 30, 2026.

The amendment has been applied retrospectively for all periods presented in accordance with IAS 1.

As a result of this amendment, the following reclassifications have been made to the presentation of current and comparative condensed consolidated interim Statement of Financial Position:

($)	Before amendments to IAS 1 March 31, 2024	Effect of adoption of amendment to IAS 1	After amendments to IAS 1 As March 31, 2024
Current liabilities	(2,506,075)	(7,778,022)	(10,284,097)
Non-current liabilities	(15,036,816)	7,778,022	(7,258,794)
Total liabilities	**(17,542,892)**	**–**	**(17,542,892)**

($)	As previously reported December 31, 2023	Effect of adoption of amendment to IAS 1	As restated December 31, 2023
Current liabilities	(3,191,950)	(7,426,394)	(10,618,344)
Non-current liabilities	(15,030,369)	7,426,394	(7,603,975)
Total liabilities	**(18,222,319)**	**–**	**(18,222,319)**

There has been no impact on the measurement or recognition of the convertible debenture or derivative liability, as a result of the IAS 1 amendment.

(Expressed in Canadian Dollars) (Unaudited)

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed consolidated interim financial statements, in compliance with IFRS, requires the Company’s management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company’s assets, liabilities, equity or earnings.

The areas which require management to make significant estimates, judgements and assumptions are consistent with those applied and disclosed in the Company’s annual consolidated financial statements for the year ended December 31, 2023.

5. CASH AND CASH EQUIVALENTS

($)	**March 31 2024**	December 31 2023
Cash	**2,553,749**	**4,869,787**
Cashable GIC	**4,591,492**	**4,560,780**
	7,145,241	**9,430,567**

6. ACCOUNTS RECEIVABLE AND PREPAID EXPENSES

($)	**March 31 2024**	December 31 2023
Advances to consultants	**1,182,717**	1,257,783
Other receivables	**166,831**	106,930
Harmonized sales tax	**99,883**	222,277
	1,449,431	1,586,990

7. INVESTMENTS

The Company's investments are classified as fair value through other comprehensive income ("FVTOCI") and are carried at fair value.

	Number of Shares	**March 31 2024**	Number of Shares	December 31 2023
		($)		($)
Alaska Energy Metals Corp. – Shares (i)	**14,778**	4,729	14,778	5,911
PTX Metals Inc. – Shares	**16,500,000**	660,000	16,500,000	660,000
		664,729		665,911

(i) On March 1, 2023 Millrock Resources Inc changed its name to Alaska Energy Metals Corporation and consolidated its outstanding common shares on the basis of one new common share for every ten common shares held.

(Expressed in Canadian Dollars) (Unaudited)

8. PROPERTY AND EQUIPMENT

($)	Land	Buildings(i)	Furniture and Equipment	Vehicles(ii)	Total
Cost					
At January 1, 2023	1,496,909	1,535,011	518,705	236,962	3,787,587
Additions	–	–	13,561	–	13,561
Disposals	–	–	–	–	–
At December 31, 2023	1,496,909	1,535,011	532,266	236,962	3,801,148
Accumulated amortization					
At January 1, 2023	–	(510,221)	(403,963)	(63,974)	(978,158)
Amortization for the period	–	(101,612)	(52,012)	(48,760)	(202,384)
Disposals	–	–	–	–	–
At December 31, 2023	–	(611,833)	(455,975)	(112,734)	(1,180,542)
Net book value at December 31, 2023	1,496,909	923,178	76,291	124,228	2,620,606

($)	Land	Buildings(i)	Furniture and Equipment	Vehicles(ii)	**Total**
Cost					
At January 1, 2024	1,496,909	1,535,011	532,266	236,962	3,801,148
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
At March 31, 2024	1,496,909	1,535,011	532,266	236,962	3,801,148
Accumulated amortization					
At January 1, 2024	–	(611,833)	(455,975)	(112,734)	(1,180,542)
Amortization for the period	–	(25,404)	(13,126)	(12,342)	(50,872)
Disposals	–	–	–	–	–
At March 31, 2024	**–**	**(637,237)**	**(469,101)**	**(125,076)**	**(1,231,414)**
Net book value March 31, 2024	**1,496,909**	**897,774**	**63,165**	**111,886**	**2,569,734**

(i) Buildings include right-of-use assets with net book value of $104,179 (December 31, 2023 – $120,627).
(ii) Vehicles include right-of-use assets with net book value of $107,001 (December 31, 2023 – $105,319).

9. MINERAL PROPERTIES

As of March 31, 2024 and December 31, 2023, the accumulated acquisition costs with respect to the Company's interest in mineral properties, consisted of the following:

	Balance January 1 2024	Additions, net of recoveries and write downs **(b)**	**Balance March 31 2024**
	($)	($)	**($)**
Goliath Gold Project (a)	17,519,860	–	**17,519,860**
Goldlund Gold Project (a)	83,906,996	–	**83,906,996**
Weebigee Project	1,952,352	–	**1,952,352**
	103,379,208	–	**103,379,208**

(Expressed in Canadian Dollars) (Unaudited)

9. MINERAL PROPERTIES (cont'd)

	Balance January 1 2023	Additions, net of recoveries and write downs **(b)**	Balance December 31 2023
	($)	($)	($)
Goliath Gold Project (a)	17,519,860	–	17,519,860
Goldlund Gold Project (a)	83,906,996	–	83,906,996
Weebigee Project	1,952,352	–	1,952,352
	103,379,208	–	103,379,208

Goliath Gold Project

The Goliath Gold Project is in the Kenora Mining Division in northwestern Ontario, 20 km east of the City of Dryden and 325 km northwest of the port City of Thunder Bay.

Goldlund Gold Project

The Goldlund Gold Project is located adjacent to the Goliath Gold Project, in the Kenora Mining Division in northwestern Ontario.

9. MINERAL PROPERTIES (cont'd)

Goldeye Explorations

Goldeye is the Weebigee Project in Northwestern Ontario.

Weebigee Project

The Weebigee Project is located near Sandy Lake, north of Red Lake in Northwestern Ontario.

Sale of Royalty to Sprott Resource Streaming and Royalty (B) Corp

On April 11, 2022, the Company sold a 2.2% net smelter returns ("NSR") royalty on the properties that comprise of the Goliath Gold Complex, which includes the Goliath Gold Project, the Goldlund Gold Project and the Miller Project, to Sprott Resource Streaming and Royalty (B) Corp. ("SRSR") for gross proceeds of $25,178,000 (US$20.0 million). The SRSR NSR applies to sales of precious and base metals from all of the claims which comprise the Goliath Gold Complex.

The Company has an option to buy back 50% of the SRSR NSR based upon the buy-down schedule set out below. Upon the achievement of 1.5 million ounces of gold production, the royalty will automatically reduce by 50% for no additional consideration by the Company. Proceeds will be used to complete ongoing work to deliver a feasibility study for the Goliath Gold Complex and for general corporate and working capital purposes.

(Expressed in Canadian Dollars) (Unaudited)

9. MINERAL PROPERTIES (cont'd)

The Company has a one-time option (the "Buy-Down Option") to reduce the applicable NSR percentage by 50% and 50% of any remaining minimum payments, by exercising its option and paying the applicable amount below:

(i) On or before December 31, 2024 – US$14.0 million
(ii) From January 1, 2025 until December 31, 2025 – US$16.0 million
(iii) From January 1, 2026 until December 31, 2026 – US$17.0 million
(iv) From January 1, 2027 until December 31, 2027 – US$18.25 million
(v) From January 1, 2028 until December 31, 2028 – US$19.5 million

The Buy-Down Option is treated as a financial instrument measured at fair value taking into account the likelihood of the Company exercising the option. As of March 31, 2024, in the absence of environmental approvals and financing to build the mine, it is unlikely management will exercise the Buy-Down option, and as such, management has ascribed a $nil value to it.

The sale of the royalty has been divided into two parts for accounting purposes. The Company determined the fair value of the financial liability, and the residual of the proceeds was allocated to the sale of the portion of the Goliath Gold Complex.

1. Financial liability of $10,958,800, in accordance with IFRS 9, for the contractual obligation to pay SRSR the minimum payment of US$500,000 beginning on July 11, 2022, payable quarterly in cash or in common shares, until the earlier of December 31, 2027, and the date that commercial production is declared (Note 12).

   Sale of a portion of the Goliath Gold Complex for $14,219,200 as control over a portion of future gold production is transferred to SRSR for the 2.2% NSR royalty.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

($)	**March 31 2024**	December 31 2023
Trade accounts payable	**67,004**	595,315
Accrued liabilities	**381,545**	523,261
	448,549	1,118,576

11. LEASE LIABILITY

During the year ended December 31, 2022, the Company entered into a lease agreement for its corporate office with a commencement date of January 1, 2022. The term of the lease is three years and ten months ending on October 30, 2025. The Company also entered into several four-year lease agreements for vehicles to be used at the project site. As of March 31, 2024, the Company is committed to pay $240,346 (December 31, 2023 - $267,951) through monthly payments until the end of the lease agreements. The present value of lease liability at March 31, 2024 and December 31, 2023 is as follows:

(Expressed in Canadian Dollars) (Unaudited)

11. LEASE LIABILITY (cont'd)

($)	**March 31 2024**	December 31 2023
Loan amount	**240,346**	267,951
Unaccreted amount	**(15,955)**	(16,114)
Carrying value of the debt	**224,391**	251,837
Current portion of the debt	**(104,237)**	(109,951)
Long-term debt	**120,154**	141,886

12. CONVERTIBLE DEBENTURE

At March 31, 2024, the convertible debt was $7,862,738 (US$5.8 million) as per a debt agreement signed in June 2016 with Extract Lending LLC and Extract Capital Master Fund Ltd. (together, "Extract"), in addition to the six amendments signed in the subsequent years of which the last ("the sixth amendment") was signed on June 15, 2023.
Under the fourth amendment, certain terms of the Company's convertible debt were changed such as the extension of the debt maturity by seven months to June 30, 2023 and the addition of the ability, at the Company's option, to pay interest: in cash; in kind, capitalizing it to the facility; or by issuing common shares of the Company based on the average volume-weighted price of the five consecutive trading days to the interest payment, less a 15% discount. The fifth amendment, signed in 2022, dealt with administrative items, which had no impact of the overall terms of the debt.

The sixth amendment was signed on June 15, 2023. Under IFRS, the sixth amendment was considered an extinguishment of debt. As a result, the debt was fair valued at date of extinguishment, and it was determined that there was no gain or loss on the extinguishment. The sixth amendment resulted in the maturity date of the debt being extended to June 30, 2026, in addition to a change in the interest rate. The interest rate was changed to a fixed interest rate of 9.75% per annum (previously, the interest rate was based on a 12-month LIBOR (minimum 200 basis points) plus 6.5%).

During the period end March 31, 2024, $189,763 (March 31, 2023 – $175,836) of interest has been capitalized to the facility.

As consideration for the sixth amendment, Extract was granted 8,220,655 bonus warrants. These warrants can be exercised up to June 15, 2026, at an exercise price of $0.441 per share, with each warrant being exercisable for one common share. The fair value of the warrants was determined to be $464,995 and was recorded as a loss on debt modification.

Under the terms of the debt agreement, the debt may be converted at Extract's option, in part or in full, at any time, into common shares of the Company at $0.96 per common share. The debt is secured by a general security agreement, a debenture delivery agreement and demand debenture, which is secured by the project property, land, and mining claims in Kenora.

12. CONVERTIBLE DEBENTURE (cont'd)

($)	**March 31, 2024** Convertible Debt	**March 31, 2024** Derivative	December 31, 2023 Convertible Debt	December 31, 2023 Derivative
Beginning balance	**7,366,850**	**59,544**	6,775,746	22,738
Accretion	–	–	163,151	–
Change in fair value	–	–	–	(22,738)
Capitalised interest	–	–	327,739	–
Foreign exchange adjustment	–	–	(155,286)	–
Carrying value prior to amendment	**7,366,850**	**59,544**	7,111,350	–
Fair value of new instrument	–	–	(138,502)	138,502
Accretion	**8,556**	**–**	16,775	–
Change in fair value	**–**	**(28,066)**	–	(78,958)
Capitalized interest	**189,763**	**–**	399,320	–
Foreign exchange adjustment	**181,375**	**–**	(22,093)	–
Ending balance	**7,746,544**	**31,478**	7,366,850	59,544
Current balance	**(7,746,544)**	**(31,478)**	(7,366,850)	(59,544)
Non-current balance	–	–	–	–

Due to the loan being denominated in U.S. dollars, the conversion feature has been presented as a non-cash derivative liability. As at March 31, 2024, the non-cash derivative liability of the debt was assigned a fair value of $31,478 (December 31, 2023 - $59,544) using the Black-Scholes option pricing model with the following assumptions: share price $0.14 (December 31, 2023 - $0.18), dividend yield 0%, expected volatility based on historical volatility 65.68% (December 31, 2023 – 61.25%), a risk free interest rate of 4.15% (December 31, 2023 – 3.93%) and an expected life of 2.25 years (December 31, 2023 – 2.5 years). The fair value gain of $28,066 (December 31, 2023 – gain of $101,696) has been recognized in the consolidated statements of operations. The effective interest rate of the amended debt is 10.4% (previously 15.7%).

13. SRSR PAYMENT OBLIGATION

($)	**March 31 2024**	December 31 2023
Opening balance	**9,322,934**	11,276,297
Initial recognition	**–**	–
Accretion	**217,081**	976,185
Repayment	**(667,379)**	(2,692,323)
Foreign exchange revaluation	**219,293**	(237,225)
Carrying value of the SRSR payment obligation	**9,091,929**	9,322,934
Current portion of the SRSR payment obligation	**(1,953,289)**	(1,860,845)
Long-term portion of SRSR payment obligation	**7,138,640**	7,462,089

(a) Sprott Resource Streaming and Royalty Corp

In connection with the sale of royalty to SRSR (see Note 9), the Company is required to make minimum payments of US$500,000 to SRSR payable quarterly until the earlier of December 31, 2027 and the date that commercial production is declared. The Company may elect to satisfy the payment on the loan in cash or the issuance of common shares of the Company at a price per common share equal to the greater of: (a) a 5% discount to the five-day volume-weighted average price of the five consecutive trading days prior to the date payment is due and (b) the maximum permitted discount by the Toronto Stock Exchange, at the Company's sole discretion. The minimum payments are secured by a general security agreement and is registered against the Company's assets.

(Expressed in Canadian Dollars) (Unaudited)

13. SRSR PAYMENT OBLIGATION (cont'd)

During the period, the Company made a payment of US$500,000 ($667,379) by the issuance of 4,127,879 common shares of the Company.

The Company entered into an agreement within the scope of IFRS 9 'Financial Instruments'. The initial fair value of the financial liability was determined using a discount rate of 10.2%. After initial recognition, the SRSR obligation is carried at amortized cost using the effective interest rate method. As at March 31, 2024 (December 31, 2023 - $9,322,934), the SRSR obligation was $9,091,928 (US$6.7 million).

14. FLOW THROUGH PREMIUM

($)	**December 31 2023**	December 31 2022
Opening balance	**102,578**	**–**
Initial recognition (i)	**–**	**566,978**
Flow-through share premium recovery (ii)	**(102,578)**	**(464,400)**
Closing balance	**–**	**102,578**

(i) On June 1, 2023, the Company issued 3,115,265 Canadian Exploration Expenditures ("CEE") flow-through common shares of the Company at a price of $0.452 per share by the way of private placement for gross proceeds of $1,408,100. A value of $566,978 were attributed to the flow-through share premium liability in connection with the financing using a fair market value of $0.27 per share.

(ii) During the period, a flow-through share premium recovery was recognized as a result of incurring eligible flow-through exploration expenditures during the period. All flow-through exploration expenditure were renounced in favour of the flow-through shareholders.

15. CAPITAL STOCK

(a) Authorized

Unlimited common shares issued.

COMMON SHARES	Number of Shares	Stated Value ($)
Balance, January 1, 2023	**138,168,087**	**209,595,606**
Issuance of shares for SRSR payment obligation (a)	2,234,858	672,133
Restricted share units redeemed (Note 16)	420,271	131,070
Returned and cancelled shares	(22)	–
Balance, March 31, 2023	**140,823,194**	**210,398,809**
Balance, January 1, 2024	**178,232,471**	**216,257,231**
Issuance of shares for SRSR payment obligation, net of issue costs (a)	4,127,879	660,118
Restricted share units redeemed (Note 16)	71,124	8,534
Balance, March 31, 2024	**182,431,474**	**216,925,883**

(a) During the period, the Company issued 4,127,879 shares (2023: 2,234,858 shares) to SRSR in relation to the quarterly repayment obligation of US$500,000 ($667,379).

(Expressed in Canadian Dollars) (Unaudited)

16. WARRANTS

The following table reflects the continuity of warrants for the period ended March 31, 2024 and year ended December 31, 2023, respectively:

	Number of Warrants at March 31 2024	Number of Warrants at December 31 2023	**Weighted Average Exercise Price 2024**	Weighted Average Exercise Price 2023
			($)	($)
Balance, beginning of period	**15,621,547**	**18,433,000**	**0.33**	**1.48**
Exercised	**–**	**15,621,547**	**–**	**0.33**
Expired	**–**	**(18,433,000)**	**–**	**(1.48)**
Balance, end of the period	**15,621,547**	**15,621,547**	**0.33**	**0.33**

The issued and outstanding warrants are comprised as follows:

Expiry Date	Type	**Number of Warrants at March 31 2024**	Number of Warrants at December 31 2023	Exercise Price ($)
June 15, 2026	Warrants	**8,220,655**	**8,220,655**	0.44
December 19, 2028	Warrants	**7,400,892**	**7,400,892**	0.21
		15,621,547	**15,621,547**	

(a) As part consideration for the sixth debt amendment, signed June 15, 2023, Extract was granted 8,220,655 warrants. The fair value was estimated, at the time of grant, using the Black-Scholes options model with the following assumptions: share price $0.25, dividend yield 0%, expected volatility 53.41%, based on historical volatility, a risk-free interest rate of 3.80% and an expected life of 3.00 years. As a result, the fair value of the warrants was estimated at $464,995 and was charged as an expense of the period.

In connection with the private placement on December 19, 2023, the Company issued 7,400,893 warrants for each common share acquired. Each whole warrant is exercisable within 60 months of closing date, at an exercise price of $0.21 per whole warrant. The warrants were assigned a relative fair value of $453,214 using the Black-Scholes options model with the following assumptions: share price $0.16, dividend yield 0%, expected volatility 61.7%, based on historical volatility, a risk-free interest rate of 3.93% and an expected life of 5.0 years.

The weighted average life of the outstanding warrants at March 31, 2024 is 3.4 years (December 31, 2023 – 3.65 years).

17. SHARE-BASED PAYMENTS

On June 29, 2021, Company's shareholders approved the Omnibus Equity Incentive Plan (the "Incentive Plan"), replacing the previous Stock Option Plan (the "Legacy Plan"). The Legacy Plan continues to be authorized for the sole purpose of facilitating the vesting and exercise of existing awards previously granted under the Legacy Plan; no further awards will be granted under the Legacy Plan. Once the existing awards granted under the Legacy Plan are exercised or terminated, the Legacy Plan will terminate and be of no further force or effect.

The Incentive plan provides flexibility to the Company to grant equity-based incentive awards in the form of stock options and restricted share units ("RSUs"). The Incentive Plan is a "rolling" plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of common shares),

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17. SHARE-BASED PAYMENTS (cont'd)

provides that the maximum aggregate number of common shares reserved by the Company for issuance and which may be purchased upon the exercise of all stock options or RSUs (and including awards granted under the Legacy Plan) shall not exceed 9.9% of the issued and outstanding common shares from time to time. Limits have also been set in respect of the maximum number of awards that may be issued to Company insiders in any one-year period. As at March 31, 2024, the Company had an additional 9,698,850 (December 31, 2023 – 8,645,586) securities available for issuance under the plan.

For the period ended March 31, 2024, the Company recognized share-based payments related to the stock options ($16,750) and the vesting of RSUs ($129,285) totaling $146,035 (March 31, 2023 - $637,762).

(a) Stock Options

	Number of Stock Options at March 31, 2024	Number of Stock Options at December 31, 2023	**Weighted Average Exercise Price 2024**	Weighted Average Exercise Price 2023
			($)	($)
Balance, at beginning of period	**3,781,583**	**6,688,109**	**0.62**	**0.92**
Stock Options granted	**–**	**670,000**	**–**	**0.31**
Exercised	**–**	**–**	**–**	**–**
Expired	**(300,000)**	**(3,576,526)**	**0.95**	**1.18**
Balance at end of the period	**3,481,583**	**3,781,583**	**0.59**	**0.62**

The weighted average life of the outstanding stock options at March 31, 2024 is 1.12 years (December 31, 2023 – 1.27 years).

The outstanding stock options are comprised as follows:

Grant Date	Expiry Date	**Number of Stock Options at March 31 2024**	Number of Stock Options at December 31 2023	Exercise Price ($)
March 8, 2021	March 8, 2024	**-**	300,000	0.95
June 28, 2021	June 28, 2024	**250,000**	250,000	0.90
February 18, 2022	February 18, 2025	**2,001,037**	2,001,037	0.70
June 28, 2022	June 28, 2025	**390,546**	390,546	0.41
July 13, 2022	July 13, 2025	**150,000**	150,000	0.38
December 19, 2022	December 19, 2025	**150,000**	150,000	0.32
March 10, 2023	March 10, 2026	**315,000**	315,000	0.32
May 17, 2023	May 17, 2026	**75,000**	75,000	0.31
July 24, 2023	July 24, 2026	**150,000**	150,000	0.27
		3,481,583	3,781,583	

On March 31, 2024, 3,026,583 of the outstanding stock options were fully vested and exercisable (December 31, 2023 – 2,925,163).

On July 24, 2023, the Company granted 150,000 stock options to employees to buy common shares at an exercise price of $0.27, each expiring on July 24, 2026. The stock options granted to employees vest 50% on the first and second anniversaries, respectively, of the date of grant. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.27, dividend yield 0%, expected volatility 53.69% based on historical volatility, a risk-free interest rate of 4.13%

(Expressed in Canadian Dollars) (Unaudited)

17. SHARE-BASED PAYMENTS (cont'd)

and an expected life of 3.00 years. As a result, the fair value of the stock options was estimated at $14,464 and will be recognized in the statement of operations over the periods the stock options vest.

On May 17, 2023, the Company granted 75,000 stock options to employees to buy common shares at an exercise price of $0.31, each expiring on May 17, 2026. The stock options granted to employees vest 50% on the first and second anniversaries, respectively, of the date of grant. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.31, dividend yield 0%, expected volatility 53.15% based on historical volatility, a risk-free interest rate of 3.80% and an expected life of 3.00 years. As a result, the fair value of the stock options was estimated at $9,106 and will be recognized in the statement of operations over the periods the stock options vest.

On March 10, 2023, the Company granted 445,000 stock options to employees to buy common shares at an exercise price of $0.32, each expiring on March 10, 2026. The stock options granted to employees vest 33.3% on date of grant, 33.3% on March 10, 2024 and the remaining balance of 33.4% on March 10, 2025. The fair value assigned was estimated using the Black-Scholes option pricing model with the following assumptions: share price $0.32, dividend yield 0%, expected volatility 60.68% based on historical volatility, a risk-free interest rate of 3.53% and an expected life of 3.00 years. As a result, the fair value of the stock options was estimated at $61,594 and will be recognized in the statements of operations over the periods the stock options vest.

(b) Restricted Share Units ("RSUs")

For the three months ended March 31, 2024 and March 31, 2023, the Company recognized share-based payment expense related to the vesting of RSUs amounting to $129,285 (March 31, 2023 - $571,867) being charged to stock-based compensation expense. RSUs are exercisable once the RSUs have vested; as at March 31, 2024, 3,460,142 had vested (March 31,2023 – 1,756,700).

	Number of Units at March 31, 2024	Number of Units at December 31, 2023	**Weighted Fair Value at March 31, 2024**	Weighted Fair Value at December 31, 2023
			($)	($)
Balance, at beginning of period	**5,217,847**	**1,296,293**	**0.40**	**0.68**
Granted	**–**	**4,757,825**	**–**	**0.31**
Exercised	**(71,124)**	**(437,235)**	**(0.12)**	**0.31**
Forfeited	**(266,440)**	**(399,036)**	**(0.28)**	**0.39**
Balance at end of the period	**4,880,283**	**5,217,847**	**0.41**	**0.40**

On September 12, 2023, the Company granted 42,391 RSUs to directors that have an expiry date of December 31, 2026. The RSUs vest in accordance with the following schedule:(i) 33.34% on the grant date; (ii) 33.33% one year from the grant date; and (iii) 33.33% two years from the grant date. On any date that falls on or after the vesting date but on or before November 30, 2026, the holder may deliver a written conversion notice specifying that the holder elects to receive common shares on the basis of one (1) common share for one (1) RSU; the RSUs cannot be settled in whole or in part for cash. The fair value assigned to the RSUs was estimated using the volume-weighted average price of the common shares on the TSX for the five trading days immediately preceding the grant date and recognized over the vesting period.

On June 28, 2023, the Company granted 375,000 RSUs to directors that have an expiry date of December 31, 2026. The RSUs vest in accordance with the following schedule:(i) 33.34% on the grant date; (ii) 33.33% one year from the grant date; and (iii) 33.33% two years from the grant date. On any date that falls on or

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17. SHARE-BASED PAYMENTS (cont'd)

after the vesting date but on or before November 30, 2026, the holder may deliver a written conversion notice specifying that the holder elects to receive common shares on the basis of one (1) common share for one (1) RSU; the RSUs cannot be settled in whole or in part for cash. The fair value assigned to the RSUs was estimated using the volume-weighted average price of the common shares on the TSX for the five trading days immediately preceding the grant date and recognized over the vesting period.

On March 10, 2023, the Company granted 4,340,434 RSUs to directors, officers and certain employees that have an expiry date of December 31, 2026. The RSUs vest in accordance with the following schedule:(i) 33.34% on the grant date; (ii) 33.33% one year from the grant date; and (iii) 33.33% two years from the grant date. On any date that falls on or after the vesting date but on or before November 30, 2026, the holder may deliver a written conversion notice specifying that the holder elects to receive common shares on the basis of one (1) common share for one (1) RSU; the RSUs cannot be settled in whole or in part for cash. The fair value assigned to the RSUs was estimated using the volume-weighted average price of the common shares on the TSX for the five trading days immediately preceding the grant date and recognized over the vesting period.

18. EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs comprised of the following costs during the period:

	Three months ended	
($)	**March 31 2024**	March 31 2023
Drilling	**18,160**	**536,022**
Field programs	**619**	**384,918**
Salaries and benefits	**452,817**	**602,316**
Environmental studies	**125,224**	**382,542**
Technical studies	**154,602**	**239,424**
Vehicle expenses	**5,650**	**27,657**
Site costs and utilities	**47,811**	**29,610**
Community relations	**11,947**	**24,709**
Legal and other fees	**38,047**	**34,262**
Royalty payments	**104,675**	**104,728**
	959,552	**2,366,188**

19. KEY MANAGEMENT COMPENSATION

Key management includes the Chief Executive Officer, Chief Financial Officer and members of the Board of Directors of the Company.
The compensation payable to key management is shown below:

	Periods ended March 31	
($)	**2024**	**2023**
Salaries	**166,960**	**163,183**
Director fees (i1)	**55,851**	**70,380**
Other cash compensation	–	**405,350**
Share-based compensation (RSU)	–	**491,820**
	222,811	**1,130,733**

(i) Director fees outstanding at March 31, 2024 were $50,145 (December 31, 2023 - $32,875).

20. COMMITMENTS AND CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

(a) The Company had committed to spend $1,408,100 by December 31, 2024 on Canadian exploration expenses ("CEE") as part of the flow-through financing dated on June 1, 2023. As at March 31, 2024, the Company spent $1,408,100 and the flow-through commitment was therefore fulfilled. All flow-through spending commitments from previous flow-through financings have been fulfilled.

(b) An audit was commenced by the Canada Revenue Agency (the "CRA") in December 2016 of the flow-through expenditures incurred by the Company on the Goliath Gold Project, pursuant to the flow-through share financings completed on December 6, 2011, September 21, 2012, May 1, 2013 and December 20, 2013. On March 7, 2018, the Company was advised by the CRA that out of the total of $12.5 million the Company raised through the flow-through share financings and renounced to subscribers, that the CRA had reclassified approximately $1.8 million of CEE to operating expenses and a further $2.2 million of CEE to Canadian Development Expenses ("CDE"). In addition, pursuant to the audit, the CRA notified the Company that it is liable for Part XII.6 tax in the amount of $477,726 in connection with the shortfall from the disallowed CEE.

Subsequently on July 2, 2021, the CRA issued a Notice of Reassessment that reduced the amount of the unpaid Part XII.6 tax to $271,943.

On September 30, 2021, the Company commenced an appeal to the Tax Court of Canada to dispute the CRA's reclassification of expenses from CEE (Canadian exploration expenses) to CDE (Canadian development expenses) or operating expenses. The Department of Justice filed its Reply pleading on behalf of the Crown on February 9, 2022, and the Company is currently still in the litigation discovery stage. Due to the uncertainty of the outcome, no liability has been recorded in the condensed consolidated interim financial statements.

21. FINANCIAL RISK FACTORS

(a) Capital Management

The Company manages its capital structure and makes appropriate adjustments, based on the funds available to the Company, 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 Company considers capital from two perspectives: its working capital position and the capital stock, warrant and stock option components of its shareholders' equity.

At March 31, 2024, the Company has a working capital of $6,753,326, excluding the convertible debenture, derivative liability and flow-through share premium liability (December 31, 2023 - $8,594,096); capital stock, warrants and contributed surplus total $245,264,816 (December 31, 2023 - $244,458,663).

To effectively manage the Company's capital requirements, management has put in place a rigorous planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities and planned future capital raises to meet its short-term business requirements, considering its anticipated cash flow from operations and its holding of cash and cash equivalents and marketable securities.

At March 31, 2024, the Company expects its capital resources and projected future cash flows from financing to support its normal operating requirements on an ongoing basis, and planned development and exploration of its mineral properties and other expansionary plans.

21. FINANCIAL RISK FACTORS (cont'd)

The properties in which the Company currently has an interest are in the exploration stage and as such the Company is dependent on external financing to fund its activities. To carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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 and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2024.

(b) Risk Disclosures

Exposure to credit, interest rate and currency risks arises in the normal course of the Company's business.

(c) Credit Risk

As at March 31, 2024, the Company had a cash and cash equivalents balance of $7,145,241 (December 31, 2023 – $9,430,567). The Company's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. There is no significant credit risk in respect of receivables.

(d) Interest Rate Risk

The Company has exposure to interest rate risk since the Company's cashable GIC cash balances are linked to the prime lending rate.

(e) Market Price Risk

The Company has convertible debt and minimum payment obligations denominated in U.S. dollars. The convertible feature of the convertible debt has been classified as a derivative liability. Among other variables, the fair value of the derivative liability is affected by changes in the market price of the Company shares.

(f) Foreign Currency Risk

The Company is exposed to foreign currency risk on financial assets and liabilities that are denominated in a currency other than the Canadian dollar. The currency giving rise to this risk is primarily the U.S. dollar. The balance of net monetary liabilities in such currency as of March 31, 2024 was $13,595,900 (December 31, 2023 - $13,570,281).

(g) Liquidity Risk

The Company is exposed to liquidity risk primarily because of its accounts payable and its debt. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024, the Company had a cash and cash equivalents balance of $7,145,241 (December 31, 2023 - $9,430,567) to settle current liabilities of $2,506,075 (December 31, 2023 - $3,089,372), excluding the convertible debenture, derivative liability and flow-through share premium liability. All the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms. The Company relies on external financing to generate sufficient operating capital and the management believes it will be able to raise any required funds in the short-term.

21. FINANCIAL RISK FACTORS (cont'd)

(h) Sensitivity Analysis

As at March 31, 2024 and December 31, 2023, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movement is "reasonably possible" over a twelve-month period.

(i) The Company is exposed to interest rate risk on fluctuations on cashable guaranteed investment certificate cash balances. A variance of 1% in the Canadian prime lending rate will affect the annual Company's net comprehensive loss by approximately $916 (December 31, 2023 – $5,171).

(ii) The Company is exposed to foreign currency risk on fluctuations of balances that are denominated in US currency related to cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, short-term and long-term debt. Sensitivity to a plus or minus 10% change in the foreign exchange rate would affect the net comprehensive loss by $1,359,590 (December 31, 2023 – $1,357,028).

(iii) The Company is exposed to market risk as it relates to its investments held in marketable securities. If market prices had varied by 10% from their March 31, 2024 fair market value positions, the comprehensive loss would have varied by $66,473 (December 31, 2023 – $66,591).

(i) Fair Value Hierarchy

The Company has designated its investments as FVTOCI, which are measured at fair value. The non-cash derivative liability is classified as FVTPL and is measured at fair value with unrealized gains or losses reported in the consolidated statements of operations.

Accounts payable and accrued liabilities, short-term and long-term debt are considered as other financial liabilities, which are measured at amortized cost which also approximates fair value. The fair value of long-term debt approximates their carrying amount due to the effective interest rate being close to the market rate.

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where fair value measurement is required. Fair value amounts represent point in time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the statement of financial position, have been prioritized into three levels as per the fair value hierarchy. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data. The carrying value of cash and cash equivalents and investments approximate their fair value.

March 31, 2024	Level One	Level Two	Level Three
	($)	($)	($)
Investments	664,729	–	–
Derivative liability	–	(31,478)	–
	664,729	(31,478)	–

(Expressed in Canadian Dollars) (Unaudited)

21. FINANCIAL RISK FACTORS (cont'd)

December 31, 2023	**Level One**	**Level Two**	**Level Three**
	($)	($)	($)
Investments	665,911	–	–
Derivative liability	–	(59,544)	–
	665,911	(59,544)	–

There have been no transfers between levels 1, 2, or 3 during the applicable periods.

22. Subsequent Events

- Subsequent to March 31, 2024, the Company issued 4,639,891 common shares (US$500,000) to SRSR as part of their minimum quarterly payment obligation.

- On May 2, 2024, the Company announced that it had entered into a definitive arrangement agreement dated May 1, 2024 with Blackwolf Copper and Gold Ltd. ("Blackwolf") to combine the two companies to advance the Complex (the "Transaction"). Pursuant to the Transaction, the Company will, among other things:

(1) Acquire all of the issued and outstanding common shares of Blackwolf and each Blackwolf common share outstanding at the closing of the Transaction will be exchanged for 0.607 of a Common Share (the "exchange ratio"). In addition to securityholder and court approvals, the Transaction is subject to applicable regulatory approvals including the TSX and TSX Venture approvals, the completion of the Concurrent Financing (as defined herein) and the satisfaction of certain other closing conditions customary in transactions of this nature. It is anticipated that closing of the Transaction, subject to satisfying all necessary conditions and receipt of all required approvals, will take place in Q3 2024.

(2) Complete a non-brokered private placement consisting of a minimum of approximately 17,391,304 flow-through units ("FT Units") in the capital of the Company at a price of $0.23 per FT Unit for aggregate gross proceeds of a minimum of $4 million (the "Concurrent Financing"). Each FT Unit will consist of one Common Share that will be issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) (an "FT Share") and one common share purchase warrant of the Company. Each warrant will be exercisable at a price of $0.35 for a period of 36 months following the closing of the Concurrent Financing. Frank Giustra (Blackwolf's largest shareholder) will be the lead subscriber to the Concurrent Financing and will be a significant shareholder post-closing of the Transaction. The proceeds of the Concurrent Financing will be used to advance the Complex and select exploration programs across the exploration portfolio of the Company.

(3) Complete a consolidation of the Company's outstanding shares on the basis of one post-consolidation share for every four pre-consolidation shares following the completion of the Transaction and Concurrent Financing.

(4) Modify the terms of the Sprott Royalty on closing of the Transaction, whereby SRSR will forego receiving the quarterly minimum payments for the next four quarterly payments. In exchange, the quarterly minimum payment will increase to US$675,000 and the last date of payment will be the earlier of the declaration of commercial production, or January 11, 2028. The current terms are for minimum payments of US$500,000 on a quarterly basis to the earlier of commercial production, or December 31, 2027 (see "*Financings – Sale or Royalty to Sprott*" in this MD&A).

For additional details on the Transaction, see the Company news release dated May 2, 2024 entitled "*Treasury Metals and Blackwolf to Create New Growth-Focused North American Gold*

22. Subsequent Events (cont'd)

Platform" available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.treasurymetals.com.

- On May 9, 2024, the Company announced an upsizing of the Concurrent Financing, consisting of approximately 27.7 million FT Units at a price of $0.23 per FT Unit for aggregate gross proceeds of up to approximately $6.4 million (previously 17.4 million FT Units for gross proceeds of up to approximately $4 million). For additional details on the Concurrent Financing, see the Company news release dated May 9, 2024 entitled "*Treasury Metals and Blackwolf Announce Upsize to Concurrent Financing*" available under the Company's issuer profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.treasurymetals.com.