FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: GOLD HUNTER RESOURCES INC. (the "Issuer").

Trading Symbol: HUNT

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS –

See Schedule A attached.

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A. **(See Schedule A & C attached)**

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period.

The following securities were issued during Q1 2024 (3 months ended November 30, 2023) and Q2 2024 (6 months ended February 29, 2024). See table below.

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
Nov 2nd 2023	Common Shares	Private Placement	2,880,000	$0.25	720,000	Cash	CFO subscribed for 40,000 Units	$14,000
Nov 2nd 2023	Warrants exercisable at $0.35 (Exp Nov 2, 2025)	Private Placement	2,880,000		N/A	N/A	N/A	N/A
Nov 2nd 2023	Finder's Warrants exercisable at $0.35 (Exp Nov 2, 2025)	Private Placement	56,000		N/A	N/A	None	N/A
Nov 2nd 2023	Warrants exercisable at $0.35 (Exp Nov 2, 2025)	Bonus for Loan	300,000		$225,000	Loan (repaid on Nov 2, 2023)	CEO issued 100,000 wts as consideration for $25,000 loan	N/A
Nov 13, 2023	Common Shares	Marwan II Property	425,000	$0.20	$85,000	Property	N/A	$12,500
Nov 13, 2023	Common Shares	Puddle Pond Property	375,000	$0.20	$75,000	Property	N/A	15,500
Jan 4, 2024	Common Shares	Rambler & Tilt Cove (Marwan I)	6,000,000	$0.24	$1,440,000	Property	N/A	N/A

(b) summary of options granted during the period. None

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Unlimited Authorized

(b) number and recorded value for shares issued and outstanding, as at February 29, 2024: 38,992,000 common shares issued with book value of $7,359,111.

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

The following table summarizes the stock options outstanding as at February 29, 2024:

Exercise price	Number of options outstanding and exercisable	Expiry date
$ 0.50	600,000 [1]	Oct 1, 2030
	600,000	

[1] Stock options issued under the Stock Option Plan

The Company has the following warrants outstanding as at February 29, 2024:

Exercise price	Number of warrants outstanding and exercisable	Expiry date
$0.35	3,236,000	November 2, 2025

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Escrowed Shares:

The Company entered into an escrow agreement, whereby 7,300,000 common shares will be held in escrow. 10% are scheduled for release on the listing date and 15% every six months from date of listing. On February 29, 2024, there were nil common shares held in escrow.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

- Sean Kingsley, President, CEO & Director
- Richard Macey, Director
- Michael Williams, Director
- John Theobald, Director
- Brandon Schwabe, CFO & Director
- Penilla Klomp, Corp. Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

(See Schedule C Attached).

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such

term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated April 12, 2024.

Sean A. Kingsley
Name of Director or Senior Officer

"Sean A. Kingsley"
Signature

President and CEO
Official Capacity

Issuer Details Name of Issuer Gold Hunter Resources Inc.	For Quarter Ended February 29, 2024	Date of Report YY/MM/D 24/04/12
Issuer Address 75-8050 204th St		
City/Province/Postal Code Langley, British Columbia, V1M 2L9V2Y 0X1	Issuer Fax No. ( )	Issuer Telephone No. (604) 341-6870 (604) 351-6437
Contact Name Sean Kingsley	Contact Position President, CEO, & Director	Contact Telephone No. +1 (604) 440-8474
Contact Email Address info@goldhunterresources.com info@seankingsley.ca	Web Site Address www.goldhunterresources.com	

Schedule "A"

Gold Hunter Resources Inc.

Interim Financial Statements for the

Six Months ended February 29, 2024

Gold Hunter Resources Inc.

Condensed Consolidated Interim Financial Statements

For the three and six months ended February 29, 2024 and February 28, 2023

(Expressed in Canadian Dollars)
(Unaudited)

Contents

Notice of No Auditor Review

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 condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of interim financial statements and are in accordance with International Accounting Standard 34 - Interim Financial Reporting.

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 interim financial statements by an entity's auditor.

Gold Hunter Resources Inc.
Condensed Consolidated Interim Statements of Financial Position
As at February 29, 2024 and August 31, 2023
(Expressed in Canadian dollars)
(Unaudited)

	February 29, 2024	August 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 20,365	$ 70,779
Amounts receivable	6,903	9,552
Prepaid expenses	84,435	2,750
	111,703	83,081
Non-current assets		
Investments (note 4)	135,000	190,000
Exploration and evaluation assets (note 6)	4,093,378	2,409,966
	$ 4,340,081	$ 2,683,047
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	$ 239,363	$ 306,301
Loans and notes payable (note 5, 6)	-	152,500
	239,363	458,801
SHAREHOLDERS' EQUITY		
Share capital (note 7)	7,359,111	4,898,580
Reserves	133,954	272,193
Accumulated other comprehensive loss	(165,000)	(110,000)
Deficit	(3,227,347)	(2,836,527)
	4,100,718	2,224,246
	$ 4,340,081	$ 2,683,047

NATURE OF BUSINESS AND CONTINUING OPERATIONS (note 1)
COMMITMENTS (note 11)
SUBSEQUENT EVENTS (note 12)

Approved on behalf of the Board:

"Michael Williams"
Director

"Richard Macey"
Director

Gold Hunter Resources Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three and six months ended February 29, 2024 and February 28, 2023
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended February 29, 2024	Three months ended February 28, 2023	Six months ended February 29, 2024	Six months ended February 28, 2023
EXPENSES				
Consulting fees	$ 51,750	$ 37,500	$ 119,646	$ 75,000
Investor relations and shareholder information	4,500	-	14,500	-
Listing and filing fees	15,895	9,663	24,387	15,188
Management fees (note 8)	51,000	42,000	117,000	84,000
Office expense	3,582	1,633	4,724	5,122
Professional fees (note 8)	50,950	6,253	57,724	6,253
Rent	10,500	10,500	21,000	21,000
Travel and accommodation	2,790	751	5,547	4,541
	(190,967)	(108,300)	(364,528)	(211,104)
OTHER EXPENSES				
Financing fee (note 5)	-	-	(26,292)	-
NET LOSS	(190,967)	(108,300)	(390,820)	(211,104)
OTHER COMPREHENSIVE LOSS				
Unrealized gain (loss) on investments (note 4)	5,000	-	(55,000)	-
COMPREHENSIVE LOSS	$ (185,967)	$ (108,300)	$ (445,820)	$ (211,104)
LOSS PER SHARE (basic and diluted)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	36,750,242	26,230,744	33,569,143	25,884,818

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

Gold Hunter Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended February 29, 2024 and February 28, 2023

(Expressed in Canadian dollars)
(Unaudited)

	Common shares									
	Number		Amount		Reserves		Accumulated Other Comprehensive Loss		Deficit		Total
As at August 31, 2022	**25,826,500**	**$**	**4,049,567**	**$**	**120,881**	**$**	**-**	**$**	**(1,024,486)**	**$**	**3,145,962**
Shares issued for exploration and evaluation assets	500,000		100,000		-		-		-		100,000
Compensation options exercised	460,500		121,621		(51,714)		-		-		69,907
Net loss for the period	-		-		-		-		(211,104)		(211,104)
As at February 28, 2023	**26,787,000**	**$**	**4,271,188**	**$**	**69,167**	**$**	**-**	**$**	**(1,235,590)**	**$**	**3,104,765**
As at August 31, 2023	**29,312,000**	**$**	**4,898,580**	**$**	**272,193**	**$**	**(110,000)**	**$**	**(2,836,527)**	**$**	**2,224,246**
Shares and warrants issued for cash	2,880,000		691,200		28,800		-		-		720,000
Shares issued for exploration and evaluation assets	6,800,000		1,790,000		(200,000)		-		-		1,590,000
Share issuance costs	-		(20,669)		6,669		-		-		(14,000)
Bonus warrants issued (note 5)	-		-		26,292		-		-		26,292
Net loss for the period	-		-		-		-		(390,820)		(390,820)
Other comprehensive loss											
Unrealized loss on investments (note 4)	-		-		-		(55,000)		-		(55,000)
As at February 29, 2024	**38,992,000**	**$**	**7,359,111**	**$**	**133,954**	**$**	**(165,000)**	**$**	**(3,227,347)**	**$**	**4,100,718**

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

Gold Hunter Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended February 29, 2024 and February 28, 2023

(Expressed in Canadian dollars)
(Unaudited)

	Six months ended February 29, 2024	Six months ended February 28, 2023
OPERATING ACTIVITIES		
Net loss for the period	$ (390,820)	$ (211,104)
Item not involving cash:		
Financing fee	26,292	-
	(364,528)	(211,104)
Changes in non-cash working capital balances:		
Amounts receivable	2,649	(178)
Prepaid expenses	(81,685)	(4,150)
Accounts payable	(66,938)	(63,497)
Cash used in operating activities	(510,502)	(278,929)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(93,412)	(41,798)
Cash used in investing activities	(93,412)	(41,798)
FINANCING ACTIVITIES		
Proceeds from issuance of shares and warrants, net	706,000	-
Proceeds from compensation options exercised	-	69,907
Repayment of loans and notes (note 5)	(152,500)	-
Cash provided by financing activities	553,500	69,907
CHANGE IN CASH AND CASH EQUILIVANTS	(50,414)	(250,820)
CASH AND CASH EQUILIVANTS, BEGINNING OF PERIOD	70,779	297,055
CASH AND CASH EQUILIVANTS, END OF PERIOD	$ 20,365	$ 46,235
Interest and income taxes paid	$ -	$ -

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Gold Hunter Resources Inc. ("the Company") was incorporated on October 30, 2019 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 75 – 8050 204th Street, Langley, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at February 29, 2024, the Company has not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition.

The Company had an accumulated deficit of $3,227,347 as at February 29, 2024, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the Financial Reporting Interpretations Committee ("IFRIC").

Approval of the Financial Statements

The condensed consolidated interim financial statements of the Company for the three and six months ended February 29, 2024 and February 28, 2023 were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on April 12, 2024.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 3.

The functional and presentation currency of the Company is the Canadian dollar.

2. BASIS OF PREPARATION (continued)

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned Canadian subsidiary, 1451366 B.C. Ltd. All intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of February 29, 2024, the Company held no cash equivalents.

Significant accounting estimates and judgements

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting 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:

Significant accounting estimates

i. the measurement of deferred income tax assets and liabilities; and
ii. the inputs used in accounting for share purchase warrants and share-based payments.

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities;
ii. the evaluation of the Company's ability to continue as a going concern; and
iii. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during 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. Basic and diluted loss per share excludes all of the Company's common shares from the weighted average shares calculation that are contingently returnable.

As the Company has recorded a net loss in each of the periods presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive.

Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issuance of common shares, options and warrants are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using the trading price and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to reserves. When warrants are exercised, the corresponding value is transferred from reserves to share capital. When warrants expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

Warrants issued as finders' and agents' fees, including agents' compensation options issued during the initial public offering, are recorded at fair value measured using the Black-Scholes option pricing model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to operations.

Share-based payments

The Company may grant stock options to acquire common shares to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options granted to employees and others providing similar services is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in expense and reserves over the vesting period. Consideration paid for the shares along with the fair value recorded in reserves on the exercise of stock options is credited to share capital. When stock options expire unexercised or are cancelled, the applicable amounts recorded in reserves are reclassified to deficit.

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the entity cannot be estimated reliably, the equity instruments are measured at the fair value of the share-based payment. Otherwise, share-based payment transactions are measured at the fair value of goods or services received.

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

Financial instruments

Financial assets

On initial recognition financial assets are classified as measured at:

i. Amortized cost;
ii. Fair value through other comprehensive income ("FVOCI"); and
iii. Fair value through profit and loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement of financial assets depends on their classification:

i. Amortized cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company does not have any assets classified at amortized cost.

ii. FVOCI
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

The Company's investments are classified at FVOCI.

iii. FVTPL
Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of operations and comprehensive loss in the period in which it arises.

The Company's cash and cash equivalents are classified at FVTPL.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as measured at (i) FVTPL; or (ii) amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of the change in the fair value is presented in profit or loss.

The Company does not classify any financial liabilities at FVTPL.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, loans and notes payable at amortized cost.

A financial liability is derecognized when the contractual obligation under the liability is discharged, cancelled or expires or its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Decommissioning, restoration, and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning, restoration, and similar liabilities (continued)

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

Adoption of new accounting standards, interpretations, and amendments

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

(Expressed in Canadian dollars)

4. INVESTMENTS

Investments in shares comprise the following:

	Number of shares	Cost	Accumulated Unrealized Loss	February 29, 2024 Fair Value
Sorrento Resources Ltd.	1,000,000	$ 300,000	$ (165,000)	$ 135,000

	Number of shares	Cost	Accumulated Unrealized Loss	August 31, 2023 Fair Value
Sorrento Resources Ltd.	1,000,000	$ 300,000	$ (110,000)	$ 190,000

During the six-month period ended February 29, 2024, the Company recorded an unrealized loss of $55,000 (2023 - $Nil) in other comprehensive income.

Sorrento Resources Ltd. is a listed company, and the fair value of the investments was determined using quoted market prices at the date of the Condensed Consolidated Interim Statements of Financial Position. In June 2023, the Company received 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, in respect of the sale of six other projects acquired as part of the Rambler and Tilt Cove Projects Property (note 6).

5. LOANS AND NOTES PAYABLE

In July 2023, the Company obtained private, non-interest-bearing loans from a certain related and other unrelated parties for an aggregate amount of $75,000 (includes $25,000 from an insider). The loans are payable in full upon the closing of the Company's next private placement financing ("Future Financing"). The proceeds from the loans will be used to fulfill the Company's mineral claim obligations in respect of its exploration and evaluation assets (note 6) and working capital requirements. On closing of the Future Financing, the Company will repay the loans and will issue to the lenders an aggregate total of 300,000 common share purchase warrants (includes 100,000 warrants to an insider) in the Company ("Bonus Warrants"). Each Bonus Warrant will be exercisable to purchase one common share of the Company at the per share issue price of the Future Financing, for a period of 24 months from the date of issuance.

In July 2023, the Company issued promissory notes in the aggregate amount of $77,500 in respect of the purchase of five additional properties adjacent to the Rambler Project (note 6). The notes are unsecured, non-interest-bearing and have a term of 90 days.

During the six-month period ended February 29, 2024, the Company fully repaid the $77,500 promissory notes and $75,000 loans. In connection with the loans, the Company issued 300,000 Bonus Warrants with a fair value of $26,292. Each bonus warrant is exercisable to purchase one share at a price of $0.35 for a period of 24 months from the closing date of the private placement (note 7).

6. EXPLORATION AND EVALUATION ASSETS

Cameron Lake East Property

In January 2020, the Company entered into an option agreement (the "Agreement") to acquire the mineral claims known as Cameron Lake East Property located in the Kenora Mining Division of Ontario. The Agreement is pursuant to an underlying option agreement (the "Head Option Agreement") between the optionor and the original claim holder ("Claim Holder"). To exercise the option and acquire the claims, the Company must pay the optionor $66,000 and issue 1,000,000 common shares of the Company as follows:

a. pay $20,000 on signing of the Agreement (paid);
b. pay an additional $10,000 and issue 500,000 common shares on the earlier of (i) listing of the Company's common shares on the Canadian Securities Exchange, and (ii) March 15, 2021 (paid and issued);
c. pay an additional $12,000 on January 15, 2022 (paid);
d. pay an additional $12,000 and issue an additional 500,000 common shares on January 15, 2023 (paid and issued); and
e. pay an additional $12,000 on January 15, 2024.

In addition, under the Head Option Agreement, the optionor must pay the Claim Holder $48,000 (paid) by September 20, 2023. Upon exercise by the Optionor of its option under the Head Option Agreement, the Claim Holder will be entitled to a 1.5% net smelter returns royalty (the "Claim Holder's NSR"), subject to the Optionor's right to purchase a one-half interest in the Claim Holder's NSR in accordance with the Head Option Agreement. Under the Agreement, the Claims are subject to the reservation by the Optionor of a 1.5% net smelter returns royalty (the "Optionor's NSR") to be paid by the Company upon exercise of the option in full.

Following the exercise of the Option, the Company will have the right to purchase the Optionor's NSR at any time for $1,000,000. For greater certainty, in the event the Company purchases the Optionor's NSR, the Claims would be subject only to the Claim Holder's NSR (1.5%) of which the Optionor will hold an option to purchase a one-half interest (0.75%) in accordance with the terms of the Head Option Agreement. Refer to the Schedules of exploration and evaluation assets for a summary of expenditures and continuity of exploration and evaluation assets.

Rambler and Tilt Cove Properties

In January 2022, the Company entered into one option agreement and one purchase agreement to acquire the Rambler and Tilt Cove Projects and six other projects in the Province of Newfoundland and Labrador, collectively known as the Rambler and Tilt Cove Properties. In December 2023, the option agreement was amended in connection with the proposed sale of the Ramble and Tilt Cove Properties. If the sale does not close by July 1, 2024, the option agreement will revert back to its original form (see below).

Under the original January 2022 option agreement, to exercise the option and acquire the claims, the Company must pay the optionors $1,695,000, issue 10,300,000 common shares, and incur $2,500,000 of exploration expenditures on the claims as follows:

a. pay $15,000 upon signing of the option agreement (paid);
b. pay an additional $25,000 on or before December 1, 2022 (paid);
c. pay an additional $50,000 on or before December 1, 2023 (paid);
d. issue 1,500,000 common shares and incur $800,000 of property expenditures on or before July 1, 2024;

6. EXPLORATION AND EVALUATION ASSETS (continued)

Rambler and Tilt Cove Properties (continued)

e. pay an additional $190,000 and issue an additional 2,000,000 common shares on or before December 1, 2024;
f. pay an additional $415,000 and issue an additional 2,800,000 common shares on or before December 1, 2025; and
g. pay an additional $1,000,000, issue an additional 4,000,000 common shares, and incur an additional $1,700,000 of property expenditures on or before December 1, 2026.

In connection with the original January 2022 option agreement, the Company must pay finders' fees of $135,600 and issue 824,000 common shares as follows:

a. pay $1,200 upon signing of the option agreement (paid);
b. pay an additional $2,000 on or before December 1, 2022 (paid);
c. pay an additional $4,000 on or before December 1, 2023;
d. issue 120,000 common shares on or before July 1, 2024;
e. pay an additional $15,200 and issue an additional 160,000 common shares on or before December 1, 2024;
f. pay an additional $33,200 and issue an additional 224,000 common shares on or before December 1, 2025; and
g. pay an additional $80,000 and issue an additional 320,000 common shares on or before December 1, 2026.

In connection with the purchase agreement, the Company paid $250,000 and issued 4,000,000 common shares to acquire the claims. The Company also paid a finders' fee of $15,000 and 240,000 shares in respect of the purchase agreement. A portion of the claims is subject to a 2% net smelter returns royalty and a portion is subject to a 2.5% net smelter returns royalty of which the Company may purchase 50% at any time for $1,000,000 and 60% at any time for $2,000,000, respectively.

In June 2023, the Company sold 100% interest in the six other projects acquired as part of the Rambler and Tilt Cove Projects for $50,000 and 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, determined using quoted market prices on the closing date of the transaction. The Company retained a 1% net smelter returns royalty which the purchaser has the right to buy back 50% at any time for $1,000,000. Pursuant the sale transaction, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

In July 2023, the Company purchased five additional properties adjacent to the Rambler Project in the Baie Verte Peninsula, Newfoundland. The Company paid $37,500 and issued 2,275,000 common shares on the closing date of the transaction. In addition, the Company issued $77,500 of non-interest bearing promissory notes with a term of 90 days and issued 250,000 common shares as finders' fee. The Company will also issue an additional 800,000 common shares on the date that is 4 months and a day from the closing date and recorded a reserve for an obligation to issue the remaining common shares with a fair value of $200,000. The five properties are each subject to a 2% net smelter returns royalty of which the Company may purchase 50% at any time for an aggregate total of $5,500,000.

In November 2023, the Company issued the remaining 800,000 common shares, reclassified the $200,000 reserve to share capital, and fully repaid the $77,500 promissory notes.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Rambler and Tilt Cove Properties (continued)

In December 2023, the Company entered into share purchase and sale agreement with Firefly Metals Ltd. (“Firefly”). Under the Agreement, Firefly will acquire all of the common shares of 1451366 B.C. Ltd. (the “Subsidiary”), a wholly owned subsidiary of the Company, in exchange for the issuance to the Company of 30,290,624 common shares of Firefly at a deemed issue price of CDN$0.498 per Firefly share representing an amount equal to CDN$15,000,000 (the “Transaction”). Prior to closing the Transaction, the Subsidiary will hold all its mineral claims and assets in Newfoundland & Labrador, Canada comprised of the mineral claims on the Company’s Rambler Property and on the Company’s Tilt Cove Property. Upon the Closing, the Subsidiary will become a wholly owned subsidiary of Firefly and Firefly will assume all related obligations and liabilities regarding the claims and any royalties on the claims.

In December 2023, the Company amended the mineral property option agreement, dated in January 2022, in regards to the Rambler and Tilt Cove Properties. As per the amendment, the Company can fully exercise the option and acquire a 100% interest in the claims upon the issuance of 6,000,000 common shares of the Company, to be issued on or before January 4, 2023. The shares will be held in escrow by the Company and will be released upon the closing of the Transaction. In the event that the Transaction does not close by July 1, 2024, the shares will be cancelled immediately, and the option agreement will revert back to its original form. Additionally, there’s an agreed cash payment of $500,000 to be paid no later than August 1, 2024. However, if the Company (or its Subsidiary) disposes of the optioned claims, the cash payment will be due within 30 days of the disposition of the optioned claims. In addition, the amended option agreement removes one claim that was duplicated and was part of the claims subsequently acquired by the Company in the purchase agreement, dated in July 2023.

In January 2024, the Company amended the finders’ agreement to reflect the terms of the amended option agreement. The finders’ fee shall consist of $40,000 and 480,000 common shares and shall be paid and issued upon closing of the Transaction. In the event that the Transaction does not close by July 1, 2024, the finders’ agreement will revert back to its original form.

In January 2024, the Company issued 6,000,000 shares with a fair value $1,590,000 of in respect of the mineral property option amendment. Refer to the Schedules of exploration and evaluation assets for a summary of expenditures and continuity of exploration and evaluation assets.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued and outstanding

As of February 29, 2024 there were 38,992,000 (February 28, 2023 - 26,787,000) common shares issued and outstanding.

During the six-month period ended February 29, 2024:

I. On November 2, 2023, the Company issued, pursuant to a private placement, 2,880,000 units at a price of $0.25 per unit for gross proceeds of $720,000. Each unit consisted of one common share and one transferable common share purchase warrant exercisable for one common share at a price of $0.35 per share for a period of 24 months. Warrants were valued at $28,800 using the residual value method. The Company paid cash finders' fees totaling $14,000 and 56,000 finders' warrants with a fair value of $6,669 in respect of the offering.

II. On November 13, 2023, the Company issued 800,000 common shares with a fair value of $0.25 per share ($200,000 total) for the purchase of exploration and evaluation assets (Rambler Property) (note 6).

III. On January 4, 2024, the Company issued 6,000,000 common shares with a fair value of $0.265 per share ($1,590,000 total) for the option of exploration and evaluation assets (Rambler Property) (note 6).

During the six-month period ended February 28, 2023:

I. On January 14, 2023, the Company issued 500,000 common shares with a fair value of $0.20 per share ($100,000 total) for the option to purchase exploration and evaluation assets (Cameron Lake East Property) (note 6).

II. In February 2023, the Company issued 460,500 common shares for proceeds of $0.15 per share ($69,075 total) upon the exercise of compensation options.

Stock options

The Company adopted an Omnibus Compensation Plan (the "Plan") under which the Board of Directors may grant restricted share units ("RSUs") and stock options ("Options") to directors, officers, employees, and consultants.

Under the plan, the number of common shares reserved for issuance pursuant to the settlement of RSUs may not exceed 10% of the issued and outstanding common shares and the number of common shares reserved for issuance pursuant to the new grant of Options may not exceed 10% of the issued and outstanding common shares. The options expire not more than 10 years from the date of grant or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Stock options (continued)

A continuity schedule of outstanding stock options is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance as at August 31, 2022	800,000	0.50
Forfeited	(200,000)	0.50
Balance as at August 31, 2023	600,000	0.50
Balance as at February 29, 2024	600,000	0.50

As of February 29, 2024, the Company had share purchase options outstanding and exercisable to acquire common shares of the Company as follows:

Grant Date	Expiry Date	Number of options	Exercisable		Exercise Price
October 1, 2020	October 1, 2030	600,000	600,000	$	0.50
		600,000	600,000	$	0.50

Restricted share units

As of February 29, 2024, the Company had no RSUs outstanding and exercisable to acquire common shares of the Company.

Share purchase warrants

A continuity schedule of outstanding warrants is as follows:

	Number Outstanding	Weighted Average Exercise Price
		$
Balance as at August 31, 2022 and 2023	-	-
Issued	3,236,000	0.35
Balance as at February 29, 2024	3,236,000	0.35

As of February 29, 2024, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number of warrants	Exercisable		Exercise Price
				$
November 2, 2025	3,236,000	3,236,000	$	0.35

During the six-month period ended February 29, 2024, there were 2,880,000 warrants issued pursuant to a private placement, 56,000 warrants issued to finders, and 300,000 warrants issued as bonus warrants (note 5).

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Share purchase warrants (continued)

The fair value of the warrants issued pursuant to a private placement were valued at $28,800 using the residual value method. The fair value of the warrants issued to finders was $6,669 and was estimated using the Black-Scholes option pricing model with the following assumptions: (i) stock price on grant date of $0.24, (ii) exercise price of $0.25, (iii) expected life of 2 years, (iv) expected volatility of 109%, (v) expected dividend rate of 0%, (vi) risk-free interest rate of 4.48%, and (vii) expected forfeiture rate of 0%. The fair value of the bonus warrants issued was $26,292 and was estimated using the Black-Scholes option pricing model with the following assumptions: (i) stock price on service date of $0.195, (ii) exercise price of $0.25, (iii) expected life of 2 years, (iv) expected volatility of 109%, (v) expected dividend rate of 0%, (vi) risk-free interest rate of 4.48%, and (vii) expected forfeiture rate of 0%.

8. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel cost from related parties:

	2024	2023
	$	$
Management fees	94,000	66,000

During the six-month period ended February 29, 2024, the Company paid management fees of $94,000 (February 28, 2023 - $66,000) to a company controlled by the CEO, the former CEO, and CFO of the Company. In addition, the Company issued 100,000 Bonus Warrants with a fair value of $8,764 to a company controlled by the CEO in connection with a loan agreement (note 5 and 7) and the CFO of the Company participated in the private placement and purchased 40,000 units with the warrants having a fair value of $400 using the residual value method (note 7).

As at February 29, 2024, $49,480 (February 28, 2023 - $Nil) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Condensed Consolidated Interim Statements of Financial Position. The amount payable are unsecured, non-interest bearing and due on demand.

9. MANAGEMENT OF CAPITAL

The Company defines capital as all components of equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

9. MANAGEMENT OF CAPITAL (continued)

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. 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.

The Company's capital structure consists of equity. As at February 29, 2024, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - 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).

Fair value of financial instruments

The Company's financial assets include cash and cash equivalents and investments, and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's Condensed Consolidated Interim Statements of Financial Position as at February 29, 2024 were as follows:

		Fair value measurement using		
	Carrying amount	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 20,365	$ 20,365	$ -	$ -
Investments	$ 135,000	$ 135,000	$ -	$ -

Financial risk management objectives and policies

The Company's financial instruments include cash, investments, accounts payable loans and notes payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Financial risk management objectives and policies (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In the management of liquidity risk, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As February 29, 2024, the Company has cash and cash equivalents balance of $20,365 to settle its short-term liabilities of $239,363.

11. COMMITMENTS

The Company is committed to certain cash payments and common share issuances as described in note 6.

12. SUBSEQUENT EVENTS

In March 2024, the Company completed the previously announced sale of its wholly-owned subsidiary, 1451366 B.C. Ltd. to Firefly Metals Ltd., pursuant to the terms and conditions of the share purchase and sale agreement, dated in December 2023. The fair value of the 30,290,624 common shares of Firefly Metals Ltd. received was determined to be $18,280,392 (note 6).

In April 2024, the Company issued 480,000 shares with a fair value of $136,800 in respect of a mineral property option finders' amendment (note 6).

Gold Hunter Resources Inc.

Schedules of Exploration and Evaluation Assets
For the six months ended February 29, 2024

(Expressed in Canadian dollars)
(Unaudited)

	Cameron Lake East	Rambler and Tilt Cove	Total
	$	$	$
Balance, August 31, 2023	**425,644**	**1,984,322**	**2,409,966**
Acquisition costs			
Cash	-	50,000	50,000
Shares	-	1,590,000	1,590,000
Other	22,547	10,857	33,404
	22,547	1,650,857	1,673,404
Exploration and evaluation costs			
Data compilation	-	2,400	2,400
Geophysical surveys	-	108	108
Prospecting	-	7,500	7,500
	-	10,008	10,008
Balance, February 29, 2024	**448,191**	**3,645,187**	**4,093,378**

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

Gold Hunter Resources Inc.

Schedules of Exploration and Evaluation Assets

For the six months ended February 28, 2023

(Expressed in Canadian dollars)
(Unaudited)

	Cameron Lake East	Rambler and Tilt Cove	Total
	$	$	$
Balance, August 31, 2022	**313,644**	**2,414,106**	**2,727,750**
Acquisition costs			
Cash	12,000	27,000	39,000
Shares	100,000	2,798	102,798
	112,000	29,798	141,798
Balance, February 28, 2023	**425,644**	**2,443,904**	**2,869,548**

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

Schedule “C”

Gold Hunter Resources Inc.

Management’s Discussion & Analysis

Six Months ended February 29, 2024

Management's Discussion and Analysis

For the six months ended February 29, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") for Gold Hunter Resource Inc., ("Gold Hunter" or "the Company") for the six months ended February 29, 2024, has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*.

This MD&A supplements but does not form part of the condensed consolidated interim financial statements of the Company and notes and schedules thereto for the three and six months ended February 29, 2024 and February 28, 2023 (the "financial statements"), and consequently should be read in conjunction with the afore-mentioned financial statements. The following MD&A is current as of April 12, 2024.

All amounts both in the Company's financial statements and this MD&A are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian legislation, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, included herein including, without limitation, management's expectations regarding the Company's growth, results of operations, estimated future revenues, future demand for and prices of gold and precious metals, business prospects and opportunities, future capital expenditures and financings (including the amount and nature thereof), anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits, resources and/or reserves on the Company's projects and mineral properties, and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. In making the forward-looking statements in this MD&A, the Company has applied several material assumptions, including without limitation, that there will be investor interest in future financings, market fundamentals will result in sustained precious metals demand and prices, the receipt of any necessary permits, licenses and regulatory approvals in connection with the future exploration and development of the Company's projects in a timely manner, the availability of financing on suitable terms for the exploration and development of the Company's projects and the Company's ability to comply with environmental, health and safety laws. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "may", "will", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved.

Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Such risks and other factors include, among others:

- general business, economic, competitive, political and social uncertainties;
- the Company's strategies and objectives, both generally and in respect of its specific mineral properties or exploration and evaluation assets;
- the ability of the Company to obtain sufficient financing to fund its business activities and plans on an ongoing basis;
- operating and technical difficulties in connection with mineral exploration for the Company's projects generally, including the geological mapping, prospecting, drilling and sampling programs for the Company's projects;
- accuracy of probability simulations prepared to predict prospective mineral resources;
- actual results of exploration activities, including exploration results, the estimation or realization of mineral resources and mineral reserves, the timing and amount of estimated future production,

costs of production, capital expenditures, and the costs and timing of the development of new deposits;

- changes in project parameters as plans continue to be refined;
- possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry;
- delays in obtaining governmental and regulatory approvals, permits or financing or in the completion of development or construction activities;
- changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions;
- requirements for additional capital, future prices of precious metals, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities;
- risks relating to epidemics or pandemics such as COVID–19, including the impact of COVID–19 on the Company's business, financial condition and results of operations; and
- those factors discussed under the headings "Risk and Uncertainties" and "Financial Instruments and Risk Management" in this MD&A and other filings of the Company with the Canadian Securities Authorities, copies of which can be found under the Company's profile on the SEDAR website at www.sedarplus.ca.

These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking statements. Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Such forward-looking information is made as of the date of this MD&A and, other than as required by law, the Company assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

BUSINESS OVERVIEW

The Company is engaged in the acquisition, exploration, and development of mineral property assets in Canada. The Company's objective is to locate and develop economic precious and base metal properties of merit and to conduct exploration programs on its projects.

The Company was incorporated on October 30, 2019 under the laws of British Columbia and its common shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "HUNT". The head office of the Company is located at 75 - 8050 204th Street, Langley BC, V2Y 0X1 and the registered office is located at 3200 - 650 W Georgia, Vancouver, BC, V6B 4P7.

Description of Properties

Cameron Lake East Property

In January 2020, the Company entered into an option agreement (the "Agreement") to acquire the mineral claims known as Cameron Lake East Property located in the Kenora Mining Division of Ontario. The Agreement is pursuant to an underlying option agreement (the "Head Option Agreement") between the Optionor and the original claim holder ("Claim Holder"). To exercise the option and acquire the claims, the Company must pay the Optionor $66,000 and issued 1,000,000 common shares of the Company as follows:

a. pay $20,000 on signing of the Agreement (paid);
b. pay an additional $10,000 and issue 500,000 common shares on the earlier of (i) listing of the the Company's common shares on the Canadian Securities Exchange, and (ii) March 15, 2021 (paid and issued);
c. pay an additional $12,000 on January 15, 2022 (paid);

d. pay an additional $12,000 and issue an additional 500,000 common shares on January 15, 2023 (paid and issued); and
e. pay an additional $12,000 on January 15, 2024.

In addition, under the Head Option Agreement, the Optionor must pay the Claim Holder $48,000 (all of which has been paid) by September 20, 2023. Upon exercise by the Optionor of its option under the Head Option Agreement, the Claim Holder will be entitled to a 1.5% net smelter returns royalty (the "Claim Holder's NSR"), subject to the Optionor's right to purchase a one-half interest in the Claim Holder's NSR in accordance with the Head Option Agreement. Under the Agreement, the Claims are subject to the reservation by the Optionor of a 1.5% net smelter returns royalty (the “Optionor’s NSR”) to be paid by the Company upon exercise of the option in full.

Following the exercise of the Option, the Company will have the right to purchase the Optionor's NSR at any time for $1,000,000. For greater certainty, in the event the Company purchases the Optionor’s NSR, the Claims would be subject only to the Claim Holder's NSR (1.5%) of which the Optionor will hold an option to purchase a one-half interest (0.75%) in accordance with the terms of the Head Option Agreement.

Rambler and Tilt Cove Properties

In January 2022, the Company entered into one option agreement and one purchase agreement to acquire the Rambler and Tilt Cove Projects and six other projects in the Province of Newfoundland and Labrador, collectively known as the Rambler and Tilt Cove Properties. In December 2023, the option agreement was amended in connection with the proposed sale of the Ramble and Tilt Cove Properties. If the sale does not close by July 1, 2024, the option agreement will revert back to its original form (see below).

Under the original January 2022 option agreement, to exercise the option and acquire the claims, the Company must pay the optionors $1,695,000, issue 10,300,000 common shares, and incur $2,500,000 of exploration expenditures on the claims as follows:

a. pay $15,000 upon signing of the option agreement (paid);
b. pay an additional $25,000 on or before December 1, 2022 (paid);
c. pay an additional $50,000 on or before December 1, 2023 (paid);
d. issue 1,500,000 common shares and incur $800,000 of property expenditures on or before July 1, 2024;
e. pay an additional $190,000 and issue an additional 2,000,000 common shares on or before December 1, 2024;
f. pay an additional $415,000 and issue an additional 2,800,000 common shares on or before December 1, 2025; and
g. pay an additional $1,000,000, issue an additional 4,000,000 common shares, and incur an additional $1,700,000 of property expenditures on or before December 1, 2026.

In connection with the original January 2022 option agreement, the Company must pay finders’ fees of $135,600 and issue 824,000 common shares as follows:

a. pay $1,200 upon signing of the option agreement (paid);
b. pay an additional $2,000 on or before December 1, 2022 (paid);
c. pay an additional $4,000 on or before December 1, 2023;
d. issue 120,000 common shares on or before July 1, 2024;
e. pay an additional $15,200 and issue an additional 160,000 common shares on or before December 1, 2024;
f. pay an additional $33,200 and issue an additional 224,000 common shares on or before December 1, 2025; and
g. pay an additional $80,000 and issue an additional 320,000 common shares on or before December 1, 2026.

In connection with the purchase agreement, the Company paid $250,000 and issued 4,000,000 common shares to acquire the claims. The Company also paid a finders' fee of $15,000 and 240,000 shares in respect of the purchase agreement. A portion of the claims is subject to a 2% net smelter returns royalty and a portion is subject to a 2.5% net smelter returns royalty of which the Company may purchase 50% at any time for $1,000,000 and 60% at any time for $2,000,000, respectively.

In June 2023, the Company sold 100% interest in the six other projects acquired as part of the Rambler and Tilt Cove Projects for $50,000 and 1,000,000 common shares of Sorrento Resources Ltd. with a fair value of $300,000, determined using quoted market prices on the closing date of the transaction. The Company retained a 1% net smelter returns royalty which the purchaser has the right to buy back 50% at any time for $1,000,000. Pursuant the sale transaction, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

In July 2023, the Company purchased five additional properties adjacent to the Rambler Project in the Baie Verte Peninsula, Newfoundland. The Company paid $37,500 and issued 2,275,000 common shares on the closing date of the transaction. In addition, the Company issued $77,500 of non-interest bearing promissory notes with a term of 90 days and issued 250,000 common shares as finders' fee. The Company will also issue an additional 800,000 common shares on the date that is 4 months and a day from the closing date and recorded a reserve for an obligation to issue the remaining common shares with a fair value of $200,000. The five properties are each subject to a 2% net smelter returns royalty of which the Company may purchase 50% at any time for an aggregate total of $5,500,000.

In November 2023, the Company issued the remaining 800,000 common shares, reclassified the $200,000 reserve to share capital, and fully repaid the $77,500 promissory notes.

In December 2023, the Company entered into share purchase and sale agreement with Firefly Metals Ltd. ("Firefly"). Under the Agreement, Firefly will acquire all of the common shares of 1451366 B.C. Ltd. (the "Subsidiary"), a wholly owned subsidiary of the Company, in exchange for the issuance to the Company of 30,290,624 common shares of Firefly at a deemed issue price of CDN$0.498 per Firefly share representing an amount equal to CDN$15,000,000 (the "Transaction"). Prior to closing the Transaction, the Subsidiary will hold all its mineral claims and assets in Newfoundland & Labrador, Canada comprised of the mineral claims on the Company's Rambler Property and on the Company's Tilt Cove Property. Upon the Closing, the Subsidiary will become a wholly owned subsidiary of Firefly and Firefly will assume all related obligations and liabilities regarding the claims and any royalties on the claims.

In December 2023, the Company amended the mineral property option agreement, dated in January 2022, in regards to the Rambler and Tilt Cove Properties. As per the amendment, the Company can fully exercise the option and acquire a 100% interest in the claims upon the issuance of 6,000,000 common shares of the Company, to be issued on or before January 4, 2023. The shares will be held in escrow by the Company and will be released upon the closing of the Transaction. In the event that the Transaction does not close by July 1, 2024, the shares will be cancelled immediately, and the option agreement will revert back to its original form. Additionally, there's an agreed cash payment of $500,000 to be paid no later than August 1, 2024. However, if the Company (or its Subsidiary) disposes of the optioned claims, the cash payment will be due within 30 days of the disposition of the optioned claims. In addition, the amended option agreement removes one claim that was duplicated and was part of the claims subsequently acquired by the Company in the purchase agreement, dated in July 2023.

In January 2024, the Company amended the finders' agreement to reflect the terms of the amended option agreement. The finders' fee shall consist of $40,000 and 480,000 common shares and shall be paid and issued upon closing of the Transaction. In the event that the Transaction does not close by July 1, 2024, the finders' agreement will revert back to its original form.

In January 2024, the Company issued 6,000,000 shares with a fair value $1,590,000 of in respect of the mineral property option amendment.

In March 2024, the Company closed the Transaction. The fair value of the 30,290,624 common shares of Firefly received was determined to be $18,280,392 using quoted market prices on the closing date of the Transaction.

In April 2024, the Company issued 480,000 shares with a fair value of $136,800 in respect of the mineral property option finders' amendment.

SUMMARY OF RESULTS

Overview

Second Quarter Results

During the second quarter of its 2024 financial year, the Company had a net loss of $190,967. This represents an increase of $82,667 from the $108,300 loss in the same quarter last year. The increase was caused by a $44,697 increase in professional fees, a $14,250 increase in consulting fees, a $9,000 increase in management fees, a $6,232 increase in listing and filing fees, a $4,500 increase in investor relations costs, a $2,039 increase in travel and accommodation, and a $1,949 increase in office expense.

Six-Month Results

During the first half of the Company's financial year, the Company had a net loss of $390,820, a $ 179,716 increase over the $211,104 loss during the same period last year. The increase was caused by a $51,471 increase in professional fees, a $44,646 increase in consulting fees, a $33,000 increase in management fees, a $26,292 increase in financing fees, a $14,500 increase in investor relations costs, $9,199 increase in listing and filing fees, and a $1,006 increase in travel and accommodation.

Summary of unaudited quarterly results

Below is a summary of the Company's last eight quarterly results, selected from financial statements prepared under International Financial Reporting Standards:

	2024		2023				2022	
	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter
	$	$	$	$	$	$	$	$
Loss for the year	(190,967)	(199,853)	(1,485,034)	(115,903)	(108,300)	(102,804)	(117,439)	(137,628)
Loss per share	(0.01)	(0.01)	(0.07)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)
Comprehensive loss	(185,967)	(259,853)	(1,595,034)	(115,903)	(108,300)	(102,804)	(117,439)	(137,628)

The variability of net loss during the quarterly results is mainly due to an increase or decrease in exploration and business activity.

During the fourth quarter of 2023, the Company recorded a loss on sale of exploration and evaluation assets of $1,271,090.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash at February 29, 2024, in the amount of $20,365 and negative working capital of $127,660. During the six months ended February 29, 2024 the Company had the following changes in cash flow:

Cash used in Operating Activities

The Company's cash used in operating activities for the six months ended February 29, 2024 was $510,502 compared to the Company's cash flows used in operating activities for the six months ended February 28, 2023 of $278,929, an increase of $231,573, primarily due to the increase in net loss and the changes in non-cash working capital balances.

Cash used in Investing Activities

The Company's cash used in investing activities for the six months ended February 29, 2024 was $93,412 compared to the Company's cash used in investing activities for the six months ended February 28, 2023 of $41,798, an increase of $51,614, primarily due to an increase in acquisition and exploration payments.

Cash provided by Financing Activities

The Company's cash provided by financing activities for the six months ended February 29, 2024 was $553,500 compared to the Company's cash provided by financing activities for the six months ended February 28, 2023 of $69,907, an increase of $483,593, primarily due to the proceeds from the issuance of shares and warrants offset by the repayment of loans and notes payable.

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of shares. When acquiring an interest in mineral properties through purchase or option the Company will sometimes issue common shares to the vendor or optionee of the property as partial or full consideration for the property interest to conserve its cash. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet obligations in the normal course of business. These factors may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to discharge liabilities in the normal course of business, the net realizable value of the Company's assets may be materially less than amounts on the statement of financial position.

SHARE CAPITAL

As at February 29, 2024; the Company has the following outstanding securities:

(i) Common Shares: 38,992,000
(ii) Stock options: 600,000
(iii) Warrants: 3,236,000

As at the date hereof; the Company has the following outstanding securities:

(i) Common Shares: 39,472,000
(ii) Stock options: 600,000
(iii) Warrants: 3,236,000

The Company has obtained its capital funding through equity financings and bridge loans.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

The Company had incurred the following key management personnel cost from related parties:

	2024	**2023**
	$	$
Management fees	94,000	66,000

During the six-month period ended February 29, 2024, the Company paid management fees of $94,000 (February 28, 2023 - $66,000) to a company controlled by the CEO, the former CEO, and CFO of the Company. In addition, the Company issued 100,000 Bonus Warrants with a fair value of $8,764 to a company controlled by the CEO in connection with a loan agreement and the CFO of the Company participated in the private placement and purchased 40,000 units with the warrants having a fair value of $400 using the residual value method.

As at February 29, 2024, $49,480 (February 28, 2023 - $Nil) was due to key management personnel and management entities and is included in accounts payable and accrued liabilities on the Condensed Consolidated Interim Statements of Financial Position. The amount payable are unsecured, non-interest bearing and due on demand.

CRITICAL ACCCOUNTING ESTIMATES

Please refer to the February 29, 2024 unaudited condensed consolidated interim financial statements on www.sedarplus.ca for critical accounting estimates.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution.

Interest Rate Risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short- term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

Liquidity risk

In the management of liquidity risk, the Company maintains a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

ADDITIONAL INFORMATION

Commitments and Contingencies

The Company has no material or significant commitments or contingencies other than certain cash payments, common share issuances and exploration expenditures related to the Cameron East Mineral Property.

Off Balance Sheet Transactions

The Company has no off-balance-sheet transactions.

Additional Information as specified by National Instrument 51-102

Additional information, including the Company's most recent Annual Information Form, is available on SEDAR at www.sedarplus.ca.

Venture Issuer Without Significant Revenue

This MD&A supports information disclosed in the Company's financial statements. More information regarding the Company's mineral right interests can be found under Note 6 of the Company's financial statements for the current reporting period.

Internal Controls Over Financial Reporting ("ICFR")

There were no changes in the Company's internal control over financial reporting during the period ended February 29, 2024 that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

RISK FACTORS

Due to the nature of the Company's business and the present stage of exploration of its mineral properties the following risk factors, among others, will apply:

Resource Industry is Intensely Competitive

The resource industry is intensely competitive, and the Company will compete with other companies that have far greater resources.

Resource Exploration and Development is Generally a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuation of Prices

Even if commercial quantities of resource deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the product produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. Commodity prices have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved exploration and production methods. The supply of commodities is affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

Permits and Licenses

The operations of the Company will require consents, approvals, licenses and/or permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary consents, approvals, licenses and permits that may be required to carry out exploration, development and production operations at its projects.

No Assurance of Profitability

The Company has no history of earnings and due to the nature of its business there can be no assurance that the Company will ever be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is from the sale of its common shares or, possibly, from the sale or optioning of a portion of its interest in its resource properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether a commercial deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there can be no assurance that any such funds will be available on favorable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulations and Political Climate

Mineral exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws; (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms, which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining exploration, development or operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

To the best of the Company's knowledge, the Company is and will continue to operate in compliance with applicable legal and environmental regulations and social requirements. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company's operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs and time and effort for obtaining permits, and increased delays or fines resulting from loss of permits or failure to comply with the new requirements.

General Economic Conditions

The recent unprecedented events in global financial markets have had a profound impact on the global economy. Many industries, including the gold and base metal mining industry, are impacted by these market conditions. Some of the key impacts of the recent financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically:

- global credit or liquidity crisis’s could impact the cost and availability of financing and the Company's overall liquidity;
- the volatility of commodity prices may impact the Company's future revenues, profits and cash flow;
- volatile energy prices, commodity and consumables prices and currency exchange rates impact potential production costs; and
- the devaluation and volatility of global stock markets impacts the valuation of the Common Shares, which may impact the Company's ability to raise funds through the issuance of Common Shares.

These factors could have a material adverse effect on the Company's financial condition and results of operations.

Exploration and Mining Risks

Fires, power outages, labor disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

No Known Mineral Reserves

The Company's mineral properties are in the exploration stage and it is without known mineral reserves. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities or unfavourable economic conditions. In the event a mineral reserve is discovered, substantial expenditures are required to develop the mineral reserve for production including facilities for mining, processing, infrastructure and transportation. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as global economic conditions, mineral markets and mineral pricing, global smelting and refining availability, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not warranted to commence or continue commercial production.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted, and which may well be beyond the capacity of the Company to fund. The Company's right to exploit any resource property is and will continue to be subject to various reporting requirements and to obtaining certain government approvals and there can be no assurance that such approvals, including environment approvals, will be obtained without inordinate delay or at all. There are numerous historic excavations, prospect pits, and shafts within the Gold Hunter Project area, as well as a number of associated waste rock dumps, access roads, and tailings dumps. It is uncertain at present if the historic workings pose a potential environmental liability to the Project, nor if or to what extent the Company might be responsible for their reclamation.

Insufficient Financial Resources

The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its significant exploration and development programs. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, or other means. There can be no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Financing Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's Existing Shareholders

The Company assesses various options for financing; however, the Company may need to continue its reliance on the sale of securities for future financing. The Company may issue securities on less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares. The amount of additional funds required will depend largely on the success of the Company's exploration programs.

Increased Costs

Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could render the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration programs could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Dependence Upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its resource properties; (ii) the ability to produce resources from any resource deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company and its consultants and employees. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities. This is especially true as the competition for qualified geological, technical personnel and consultants is particularly intense in the current marketplace.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Cyber Security Risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its contractors and service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Price Fluctuations and Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur. Additionally, the current COVID-19 pandemic and efforts to contain it, including restrictions on travel and other advisories issued may have a significant effect on metal prices. Recent vaccine breakthroughs have the potential to mitigate some of the economic disruption caused by the COVID-19 pandemic, but the risks of economic uncertainty and market volatility are expected to remain for the foreseeable future. The Company cannot predict how successful the vaccines will be against COVID-19 or any of its variants, if there will be significant adverse side effects from vaccines, how quickly the vaccines will be available and rolled out to the general population, the willingness of people to get vaccinated and how long it will take for economies to stabilize if and when the vaccines prove to be effective in reducing the spread of COVID-19.

Surface Rights and Access

Although the Company acquires the rights to some or all of the resources in the ground subject to the tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its resource tenures. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or land owners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the right at law to access the surface and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out exploration activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction.

Title

Although the Company has taken steps to verify the title to the resource properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.