



## **CONDOR RESOURCES INC.**

### **Condensed Consolidated Financial Statements**

(Expressed in Canadian dollars)

**For the Nine Months Ended November 30, 2023 and 2022  
(Unaudited – prepared by Management)**

**CONDOR RESOURCES INC.**

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

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

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

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

Vancouver, Canada

January 17, 2024

**CONDOR RESOURCES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited, prepared by management and expressed in Canadian Dollars)

	As at November 30, 2023	As at February 28, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 2,385,691	\$ 537,988
Prepaid expenses	27,863	17,536
Accounts receivable	4,699	2,630
Marketable securities (Note 5)	122,720	133,052
Other receivable (Note 8)	675,548	902,465
<b>Total Current Assets</b>	<b>3,216,521</b>	<b>1,593,671</b>
<b>Non-Current Assets</b>		
Equipment (Note 6)	22,456	26,531
Exploration and evaluation assets (Note 7)	4,616,686	3,210,335
Other receivable (Note 8)	2,532,671	2,362,976
<b>Total Non-Current Assets</b>	<b>7,171,813</b>	<b>5,599,842</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,388,334</b>	<b>\$ 7,193,513</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 9)	\$ 82,333	\$ 101,751
Loan (Note 10)	-	40,000
<b>TOTAL LIABILITIES</b>	<b>82,333</b>	<b>141,751</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 11)	24,574,648	22,374,913
Contributed surplus (Note 11)	3,898,550	4,007,160
Deficit	(18,167,197)	(19,330,311)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>10,306,001</b>	<b>7,051,762</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 10,388,334</b>	<b>\$ 7,193,513</b>

Nature and continuance of operations (Note 1)

Subsequent event (Note 15)

Approved on behalf of the Board:

"Robert Boyd" Director"Lyle Davis" Director

See accompanying notes to consolidated financial statements.

**CONDOR RESOURCES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

(Unaudited, prepared by management and expressed in Canadian Dollars)

	For the Three Months Ended November 30,		For the Nine Months Ended November 30,	
	2023	2022	2023	2022
<b>Administrative expenses</b>				
Conferences and seminars	\$ -	\$ -	\$ 338	\$ -
Foreign exchange gain	(1,618)	(16,896)	(4,935)	(31,858)
Insurance	3,827	3,676	11,565	11,112
Investor relations	225	275	2,450	1,435
Management fees and consulting fees	64,552	52,106	146,552	136,924
Office and miscellaneous	1,824	1,275	4,625	5,243
Professional fees	13,723	37,340	22,469	41,784
Project generation	9,041	566	29,429	55,380
Regulatory fees	8,795	13,535	16,551	19,079
Stock-based compensation	-	22,795	-	37,795
Travel and entertainment	-	2,893	390	5,989
	(100,369)	(117,565)	(229,434)	(282,883)
<b>Other items</b>				
Interest income	20,635	-	29,500	-
Other income (Note 7(p))	(54,998)	(57,146)	1,234,360	1,278,429
Realized gain on loan forgiveness (Note 10)	-	-	10,000	-
Revaluation of other receivable (Note 8)	84,869	170,160	211,778	417,319
Unrealized loss on marketable securities (Note 5)	(16,668)	(53,379)	(93,090)	(104,276)
	33,838	59,635	1,392,548	1,591,472
<b>Net Income and Comprehensive Income for the Period</b>	\$ (66,531)	\$ (57,930)	\$ 1,163,114	\$ 1,308,589
<b>Basic And Diluted Income Per Share Outstanding</b>	\$ (0.00)	\$ (0.00)	\$ 0.01	\$ 0.01
<b>Weighted Average Number Of Shares Outstanding</b>	141,089,698	126,882,308	135,505,290	126,882,308

See accompanying notes to consolidated financial statements.

**CONDOR RESOURCES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited, prepared by management and expressed in Canadian Dollars)

	<b>For the Nine Months Ended November 30,</b>	
	<b>2023</b>	<b>2022</b>
Cash and cash equivalents provided by (used in):		
Operating Activities		
Net income for the period	\$ 1,163,114	\$ 1,308,589
Items not affecting cash:		
Stock-based compensation	-	37,795
Unrealized loss on marketable securities	93,090	104,276
Realized gain on loan forgiveness	(10,000)	-
Revaluation of other receivable	(211,778)	(417,319)
Recoveries included in income and reclassified to investing activities	(1,234,360)	(1,278,429)
Changes in non-cash operating working capital items:		
Increase in prepaid expenses	(10,327)	(10,052)
(Increase) decrease in accounts receivable	(2,069)	644
Increase (decrease) in accounts payable and accrued liabilities	(3,392)	49,956
	(215,722)	(204,540)
Investing Activities		
Equipment purchased	(3,408)	-
Exploration and evaluation expenditures	(1,596,592)	(758,980)
Expenditure recoveries/option proceeds	1,333,300	1,342,653
Proceeds from sale of Peruvian subsidiary	269,000	97,500
	2,300	681,173
Financing Activities		
Share capital issued	2,091,125	-
Loan repayment	(30,000)	-
	2,061,125	-
Increase in cash and cash equivalents during the period	1,847,703	476,633
Cash and cash equivalents - beginning of period	537,988	269,815
Cash and cash equivalents - end of period	\$ 2,385,691	\$ 746,448

See accompanying notes to consolidated financial statements.

**CONDOR RESOURCES INC.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Unaudited, prepared by management and expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Equity
Balance, February 28, 2022	126,882,308	\$ 22,374,913	\$ 3,587,314	\$ (19,769,716)	\$ 6,192,511
Stock-based compensation	-	-	37,795	-	37,795
Net income and comprehensive income for the period	-	-	-	1,308,589	1,308,589
Balance, November 30, 2022	126,882,308	\$ 22,374,913	\$ 3,625,109	\$ (18,461,127)	\$ 7,538,895
Stock-based compensation	-	-	382,051	-	382,051
Net loss and comprehensive loss for the period	-	-	-	(869,184)	(869,184)
Balance, February 28, 2023	126,882,308	\$ 22,374,913	\$ 4,007,160	\$ (19,330,311)	\$ 7,051,762
Warrants exercised	13,100,000	1,965,000	-	-	1,965,000
Options exercised	1,122,500	126,125	-	-	126,125
Fair value of options exercised	-	108,610	(108,610)	-	-
Net income and comprehensive income for the period	-	-	-	1,163,114	1,163,114
Balance, November 30, 2023	141,104,808	\$ 24,574,648	\$ 3,898,550	\$ (18,167,197)	\$ 10,306,001

See accompanying notes to consolidated financial statements.

## **CONDOR RESOURCES INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
(Unaudited, prepared by management and expressed in Canadian dollars)  
For the nine months ended November 30, 2023 and 2022

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Condor Resources Inc. (the “Company”) was incorporated in British Columbia on November 26, 2003. The company’s primary business is the acquisition and exploration of mineral properties and is considered to be an exploration stage company.

The Company is listed on the TSX Venture Exchange (“TSX-V”), having the symbol CN-V, as a Tier 2 mining issuer.

The address of the Company’s corporate office and principal place of business is Suite 615 - 800 West Pender Street, Vancouver, British Columbia, V6C 2V6.

The Company is currently engaged in the exploration and development of mineral properties in Peru and has not yet determined whether its properties contain ore reserves that are economically recoverable and, to date, the Company has not generated any revenue from operations. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

#### Going concern of operations

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. As of November 30, 2023, the Company has not generated any revenues and has incurred losses of \$18,167,197 (February 28, 2023 - \$19,330,311) since inception. The Company’s continued existence and plans for future growth depend on its ability to obtain additional capital.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including relations between NATO and Russian Federation regarding the situation in Ukraine, the conflict in the Middle East and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

The above material uncertainties raise significant doubt about the Company’s ability to continue as a going concern. Although these financial statements have been prepared on a going concern basis, the Company’s continuing operations are dependent upon its ability to obtain adequate financing through debt or equity issuance and funds received upon the sale, optioning or joint-venturing of its mineral properties.

## CONDOR RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements  
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For the nine months ended November 30, 2023 and 2022

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### 2. BASIS OF PRESENTATION AND MEASUREMENT

#### (a) Statement of Compliance

These condensed consolidated interim financial statements of the Company for the nine months ended November 30, 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”). Accordingly, these condensed consolidated interim financial statements follow the same accounting principles and methods of application as the annual consolidated financial statements for the year ended February 28, 2023 but may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS. These financial statements should therefore be read in conjunction with the annual consolidated financial statements for the year ended February 28, 2023. Results for the period ended November 30, 2023, are not necessarily indicative of future results.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on January 17, 2024.

#### (b) Financial Statement Presentation

These financial statements include the accounts of the Company, its 100% owned Peruvian subsidiaries, Condor Exploration Peru S.A.C. and Minas Qolque S.A.C., and its 85%-owned Peruvian subsidiary, Ferroaluminios Peru No.4 S.A.C. The Company also holds a 34% interest in Minera El Dorado Ocos S.A.C. (see Note 7(b)), which is accounted for under the equity method. All significant inter-company transactions and balances have been eliminated on consolidation. All amounts are stated in Canadian dollars unless otherwise indicated.

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Name of Subsidiary	Place of Operation	Ownership Interest	Principal Activity
Condor Exploration Peru S.A.C.	Peru	100%	Carries out business for Peruvian properties
Ferroaluminios Peru No.4 S.A.C.	Peru	85%	Carries out business for Peruvian properties
Minera El Dorado Ocos S.A.C.	Peru	34%	Carries out business for a Peruvian property
Minas Qolque S.A.C.	Peru	100%	Carries out business for a Peruvian property

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On December 21, 2020, the Company entered into an agreement to sell its formerly 100% owned Peruvian subsidiary, Minas Lucero Del Sur S.A.C. (“MLDS”) See Note 7(h). The accounts of this subsidiary were consolidated up to the date of disposition.



## **CONDOR RESOURCES INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
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### **2. BASIS OF PRESENTATION AND MEASUREMENT (continued)**

#### **(b) Financial Statement Presentation (continued)**

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Exploration and evaluation assets**

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable.

The Company capitalizes mineral property expenditures applicable to property interests for which it has an exploration license as deferred mineral property costs.

The costs of acquiring mineral properties and exploration expenditures are deferred until such time as the mineral properties are placed into production or the prospect is determined by management to be impaired, or is abandoned. Upon production, the deferred costs are amortized on a unit-of-production basis while in circumstances of impairment or abandonment the costs are written off.

Any option or royalty payments received by the Company from third parties are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the period received.

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

#### **(b) Stock-based compensation**

The Company accounts for stock-based compensation using the fair value-based method with respect to all stock-based payments to directors, employees and non-employees. Under the fair value-based method, stock-based compensation is measured at fair value and recognized in operations over the vesting period. Fair value is determined using the Black-Scholes option pricing model. Any consideration paid on exercise of stock options together with the related fair value previously recognized in contributed surplus is credited to share capital.

## **CONDOR RESOURCES INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### (c) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital at the amount for which the stock option and warrant enabled the holder to purchase shares of the Company. Share capital issued for non-monetary consideration is recorded at fair value based on the quoted market price on the date of issuance. Share issue costs, which include commissions and professional and regulatory fees are charged directly to share capital.

#### (d) Foreign currency translation

The functional and reporting currency of the Company, inclusive of the accounts of each of its consolidated subsidiaries, is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each balance sheet date to reflect exchange rates prevailing at that date. Foreign exchange gains and losses are included in operations.

#### (e) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. 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.

#### (f) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument. On initial recognition, financial assets are recorded at fair value and are subsequently classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

## CONDOR RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements  
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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Financial instruments (continued)

The Company's financial instruments are classified and subsequently measured as follows:

<b>Financials Assets</b>	<b>Classification</b>
Cash and cash equivalents	Amortized cost
Accounts receivables (excluding sales tax receivable)	Amortized cost
Marketable securities	FVTPL
Other receivable	FVTPL
<b>Financial Liabilities</b>	
Accounts payable and accrued liabilities	Amortized cost
Loan	Amortized cost

The classification of financial assets is based on how the entity manages its financial instruments and the contractual cash flow characteristics of each financial asset. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified as FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of income (loss).

#### (g) Income (Loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) available to common shareholders by the weighted average number of common shares outstanding in the period. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

#### (h) Impairment

At each reporting period, management reviews mineral properties for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

## CONDOR RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements  
(Unaudited, prepared by management and expressed in Canadian dollars)  
For the nine months ended November 30, 2023 and 2022

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Impairment (continued)

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

#### (i) Cash and cash equivalents

Cash and cash equivalents include all cash accounts, which are not subject to withdrawal restrictions or penalties.

#### (j) Equipment

Equipment is recorded at cost. Amortization is recorded on a declining balance basis over the estimated useful lives of the related assets at the following annual rates:

Office furniture and equipment	20%
Computer equipment	50%
Motor vehicles	20%

#### (k) New accounting standards and interpretations issued but not yet effective:

The Company has reviewed any new and revised accounting pronouncements that are issued and effective as of March 1, 2022 and has determined that these new and revised standards did not have a material impact on the Company's consolidated financial statements.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Financial statement items that are subject to significant estimation uncertainty include the valuation of stock-based compensation and the carrying value of exploration and evaluation assets.

## **CONDOR RESOURCES INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
(Unaudited, prepared by management and expressed in Canadian dollars)  
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### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**

In addition, as disclosed in Note 8, the Company's carrying amount for the other receivable is derived based on variables which involve significant uncertainty and estimation, including inputs used in the determination of the current value of the receivable and the effect of changes in foreign exchange rates.

The judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

- i) Critical judgment is applied for the determination of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the Company and its subsidiaries, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- ii) The Company has selected a policy of capitalizing exploration and evaluation expenditures that it has an exploration license in as exploration and evaluation assets. Acquisition and exploration costs incurred in respect to a particular property interest before the formal exploration licenses are acquired, but where such subsequent acquisition can be reasonably assured, are also capitalized as exploration and evaluation assets. At each period end, management applies its judgment in determining whether facts and circumstances suggest that the carrying amount of the asset exceeds its recoverable amount, and if so, the carrying value of the asset is tested for impairment.
- iii) Critical judgment and estimates are applied for the determination that the Company will continue as a going concern for the next year.

### **5. MARKETABLE SECURITIES**

Marketable securities consist of 2,958,620 common shares of Chakana Copper Corp. ("Chakana") that were received during fiscal 2019, 2020, 2023 and 2024 as described at Note 7(f), and 25,000 common shares (following a 1:10 share consolidation completed on November 8, 2023) of Element79 Gold Corp. that were received during fiscal 2023. These marketable securities are stated at their November 30, 2023 fair market value of \$122,720 (February 28, 2023 - \$133,052). During the nine months ended November 30, 2023, the Company did not sell any marketable securities. During the year ended February 28, 2023, the Company sold shares for gross proceeds of \$21,000.

**CONDOR RESOURCES INC.**

Notes to the Condensed Consolidated Interim Financial Statements  
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**6. EQUIPMENT**

	Computer equipment	Motor vehicle	Office furniture and equipment	Total
<b>COST</b>				
<b>Balance, February 28, 2022</b>	\$ -	\$ 38,378	\$ 10,433	\$ 67,094
Additions	-	-	-	-
<b>Balance, February 28, 2023</b>	\$ -	\$ 38,378	\$ 10,433	\$ 67,094
Additions	3,408	-	-	3,408
<b>Balance, November 30, 2023</b>	\$ 3,408	\$ 38,378	\$ 10,433	\$ 70,502
<b>AMORTIZATION</b>				
<b>Balance, February 28, 2022</b>	\$ -	\$ 8,560	\$ 7,564	\$ 34,407
Amortization	-	5,416	740	6,156
<b>Balance, February 28, 2023</b>	\$ -	\$ 13,976	\$ 8,304	\$ 40,563
Amortization	213	7,072	198	7,483
<b>Balance, November 30, 2023</b>	\$ 213	\$ 21,048	\$ 8,502	\$ 48,046
<b>CARRYING AMOUNTS</b>				
<b>Balance, February 28, 2023</b>	\$ -	\$ 24,402	\$ 2,129	\$ 26,531
<b>Balance, November 30, 2023</b>	\$ 3,195	\$ 17,330	\$ 1,931	\$ 22,456

**7. EXPLORATION AND EVALUATION ASSETS**

The following schedules of mineral property costs set forth the expenditures incurred on these properties as at November 30, 2023 and February 28, 2023.

	As at	
	November 30, 2023	As at February 28, 2023
Acquisition costs	\$ 62,509	\$ 62,509
Deferred exploration costs	3,986,856	2,658,503
	4,049,365	2,721,012
IGV taxes	567,321	489,323
<b>Total</b>	<b>\$ 4,616,686</b>	<b>\$ 3,210,335</b>

As their recoverability from government authorities is uncertain, IGV input credits are capitalized and included within the carrying value of the related property interests. Any amounts ultimately recovered will therefore be offset against the related deferred costs or included in income if such costs have been expensed.

IGV is a form of value-added tax levied on expenditures incurred in Peru.

**CONDOR RESOURCES INC.**

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**7. EXPLORATION AND EVALUATION ASSETS (continued)**

**Schedule of Exploration and Evaluation assets – Peru  
For the Nine Months Ended November 30, 2023**

	Pucamayo	Ocros	Chavin	Quriurqu	San Martin	Soledad	Humaya	Huinac Punta	Andrea	Quilisane	Cobreorco	Cantagallo	Rio Bravo	Total
<b>Acquisition costs</b>														
Balance, as at March 1, 2023	\$ 62,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,509
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, as at November 30, 2023	62,509	-	-	-	-	-	-	-	-	-	-	-	-	62,509
<b>Exploration and evaluation expenditures</b>														
Balance, as at March 1, 2023	1,398,743	19,848	196,020	152,958	-	-	16,390	463,839	84,589	32,011	287,027	3,137	3,941	2,658,503
Additions during the period														
Drilling	498,853	-	-	-	-	-	-	-	-	-	-	-	-	498,853
Property tenure	60,665	-	8,107	4,434	2,386	-	4,800	11,795	8,800	1,600	17,820	800	5,006	126,213
Community relations	320,877	-	-	-	-	-	-	-	-	-	-	-	-	320,877
Office and technical support	179,554	8,952	25,035	32,501	23,018	181,698	-	68,777	4,084	-	40,489	-	-	564,108
	1,059,949	8,952	33,142	36,935	25,404	181,698	4,800	80,572	12,884	1,600	58,309	800	5,006	1,510,051
Balance, as at November 30, 2023	2,458,692	28,800	229,162	189,893	25,404	181,698	21,190	544,411	97,473	33,611	345,336	3,937	8,947	4,168,554
Proceeds of option payments	-	-	-	-	-	(181,698)	-	-	-	-	-	-	-	(181,698)
<b>Overall balances, as at November 30, 2023</b>	<b>\$ 2,521,201</b>	<b>\$ 28,800</b>	<b>\$ 229,162</b>	<b>\$ 189,893</b>	<b>\$ 25,404</b>	<b>\$ -</b>	<b>\$ 21,190</b>	<b>\$ 544,411</b>	<b>\$ 97,473</b>	<b>\$ 33,611</b>	<b>\$ 345,336</b>	<b>\$ 3,937</b>	<b>\$ 8,947</b>	<b>\$4,049,365</b>

Costs are exclusive of IGV taxes incurred

**CONDOR RESOURCES INC.**

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**7. EXPLORATION AND EVALUATION ASSETS (continued)**

**Schedule of Exploration and Evaluation assets – Peru  
For the Year Ended February 28, 2023**

	Pucamayo	Ocros	Chavin	Quriurqu	San Martin	Soledad	Humaya	Huinac Punta	Andrea	Quilisane	Cobreorco	Cantagallo	Rio Bravo	Total
<b>Acquisition costs</b>														
Balance, as at March 1, 2022	\$ 62,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,509
Additions during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, as at February 28, 2023	62,509	-	-	-	-	-	-	-	-	-	-	-	-	62,509
<b>Exploration and evaluation expenditures</b>														
Balance, as at March 1, 2022	1,072,694	-	209,319	139,526	313,528	-	13,188	366,606	67,149	28,946	200,607	2,349	-	2,413,912
Additions during the period														
Property tenure	35,464	-	4,383	4,368	2,351	-	2,758	14,658	8,669	1,576	20,002	788	3,941	98,958
Community relations	141,951	-	-	-	-	-	-	-	-	-	-	-	-	141,951
Geochemistry	-	-	-	-	-	-	-	-	-	34	-	-	-	34
Office and technical support	174,763	19,848	14,019	9,064	15,899	254,564	444	82,575	8,771	1,455	66,418	-	-	647,820
	352,178	19,848	18,402	13,432	18,250	254,564	3,202	97,233	17,440	3,065	86,420	788	3,941	888,763
Balance, as at February 28, 2023	1,424,872	19,848	227,721	152,958	331,778	254,564	16,390	463,839	84,589	32,011	287,027	3,137	3,941	3,302,675
Write-off of exploration and evaluation assets	(26,129)	-	(31,701)	-	(331,778)	-	-	-	-	-	-	-	-	(389,608)
Proceeds of option payments	-	-	-	-	-	(254,564)	-	-	-	-	-	-	-	(254,564)
<b>Overall balances, as at February 28, 2023</b>	\$ 1,461,252	\$ 19,848	\$ 196,020	\$ 152,958	\$ -	\$ -	\$ 16,390	\$ 463,839	\$ 84,589	\$ 32,011	\$ 287,027	\$ 3,137	\$ 3,941	\$ 2,721,012

Costs are exclusive of IGV taxes incurred



## CONDOR RESOURCES INC.

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### PERU

##### ***(a) Ocros and Pucamayo – Combined Amended Agreement: Option to acquire an 85% interest***

On February 16, 2009 the Company replaced and superseded its original agreements dated August 21, 2007 on the Ocros, Pucamayo and Condor de Oro prospects.

Pursuant to the February 16, 2009 Amended Peruvian Property Agreement (“Amended Agreement”), the Company paid USD \$400,000 and issued 2,000,000 common shares at a value of \$670,000 to acquire an 85% working interest in each of the Ocros, Pucamayo and Condor de Oro prospects from the property vendor. On the execution and delivery of the agreement, \$95,000 in advances to the property vendor for title perfection for the prospects was forgiven and recorded as acquisition costs. Prior to March 1, 2016, the Company forfeited its interest and allowed the title to lapse in all the original Pucamayo concessions, except the Pucamayo 14 concession. The Company also forfeited its interest and allowed the title to lapse in the Condor de Oro property in June 2016.

The vendor, a private company controlled by a senior officer of the Company retained a royalty of one per cent (1%) of the “net smelter return” (“NSR”) derived from each of the Ocros concessions and the Pucamayo 14 concession (the “Properties”). The Company shall have the exclusive right to purchase the royalty on one or more of the Properties at any time on payment to the vendor of the sum of USD \$2,000,000 per property.

The vendor will receive an additional 1,000,000 common shares in the capital of the Company on the completion and publication of a positive feasibility study on any or all of the Properties which indicates that commercial production for the applicable property is feasible.

In this agreement “Feasibility Study” shall have the meaning set out in NI 43-101, or such successor policy as may be adopted from time to time by the Canadian Securities Administrators.

Following the closing, the holder of the 15% interest in each of the Properties, a party related to a senior officer of the Company, became a carried and non-contributing interest. The Company will fund all of the vendor’s costs to the commencement of commercial production, such costs to be repaid to the Company, with interest at the Canadian prime rate plus 2%, from 100% of the vendor’s production revenues.

In February 2017, the Company assigned the royalty buyback rights on the Ocros concessions and Pucamayo 14 concession to Sandstorm Gold Ltd. (“Sandstorm”) for consideration of \$100,000.

## CONDOR RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements  
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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *(b) Ocros, Ocros Province – option granted*

In May 2017, a Comprehensive Agreement (the “Ocros Agreement”) was signed with Compañía Minera Virgen de la Merced S.A.C. (“Merced”) with respect to the Ocros project. Under the Ocros Agreement, Merced had two exclusive options to earn up to a 70% interest in the Ocros concessions over a period of four years.

During the year ended February 28, 2021, Merced completed the first option and earned a 51% interest in the property by having made the following cash payments to the Company and having completed exploration work as follows:

- i. US \$75,000 upon signing the Ocros Agreement (received);
- ii. complete 2,000 metres of diamond drilling on or before May 16, 2018 (the first anniversary of the effective date of the agreement (May 16, 2017)) (completed);
- iii. US \$75,000 on or before May 16, 2018 (received);
- iv. US \$75,000 on or before May 16, 2019 (received);
- v. complete a cumulative total of 4,000 metres of diamond drilling on the Ocros Property on or before May 16, 2019 (completed);
- vi. US \$25,000 on or before May 16, 2020, or two months after the date on which an aggregate of 6,000 metres of diamond drilling has been conducted, whichever comes first (received); and
- vii. complete a cumulative total of 6,000 metres of diamond drilling on or before May 16, 2020 (completed).

Merced did not complete the second option to earn an additional 19% interest, thereby resulting in Merced maintaining a 51% interest in the property.

In October 2021, the Company, Merced, and a third party entered into a share option agreement whereby the parties agreed to transfer their respective ownership interests in the Ocros project into a new entity, Minera El Dorado Ocros S.A.C. (“MDO”), and to convert their ownership interest in the project into shares of MDO. At the date of the agreement, the Company, Merced, and the third party respectively owned 34%, 51% and 15% of the issued share capital of MDO.

Per the terms of the share option agreement, Merced has the option to acquire the Company’s 34% interest in MDO by making cash payments to the Company in the aggregate of US \$1,000,000, with the first payment of US \$100,000 due on signing (received), and further payments of US \$100,000 due every three months thereafter. Merced did not make any payments subsequent to October 2021. The Company maintains its 34% ownership of MDO.

## **CONDOR RESOURCES INC.**

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### **7. EXPLORATION AND EVALUATION ASSETS (continued)**

#### ***(c) Pucamayo, Chinca, Yauyos, and Castrovirreyna Provinces***

Subsequent to the February 16, 2009 agreement, the Company dropped all but the Pucamayo 14 concession, and acquired by staking one concession to the east and 2 concessions to the south of Pucamayo 14. These added concessions were not subject to the provisions of the February 16, 2009 agreement and thus owned 100% by the Company. As at March 1, 2016 the project consisted of 19 sq. km., with the Company holding an 85% interest in 6 sq. km. (Pucamayo 14), and a 100% interest in 13 sq. km. of staked concessions. During the fiscal year ended February 28, 2017, the Company acquired unencumbered title to a 100% interest in 94 sq. km. of mineral concessions, and in May 2018 acquired another 2 sq. km. concession by staking. In June 2019, the Company relinquished two concessions. In February 2017, the Company sold a 0.5% NSR royalty on all the Pucamayo concessions except for Pucamayo 14, to Sandstorm for \$50,000.

During the year ended February 28, 2023, the Company dropped two buffer concessions reducing the total project area to 85 sq km. At February 28, 2023, the Company wrote-off \$26,129 in deferred exploration costs related to these two concessions.

#### ***(d) Chavin, Santa Province***

During the year ended February 28, 2010, the Company acquired two concessions by staking in the Province of Santa, referred to as the Chavin project. During the year ended February 28, 2011, a third concession was acquired by staking.

In November 2015, the Company concluded a production royalty agreement with Compañía Minera Casapalca S.A. ("Casapalca") on the Chavin project. In February 2017, the Company sold a 50% interest in its annual production royalty at Chavin to Sandstorm for \$50,000. In November 2018, Casapalca terminated the production royalty agreement and returned the original three concessions as well as five adjoining concessions to the Company, bringing the total project area to approximately 42 sq km. On termination of the Casapalca production royalty agreement, Sandstorm's interest at Chavin converted to a 0.5% NSR.

During the year ended February 28, 2023, the Company dropped five concessions reducing the total project area to 14 sq km. At February 28, 2023, the Company wrote-off \$31,701 in deferred exploration costs related to these five concessions.

#### ***(e) San Martin, Castilla Province***

During the year ended February 28, 2010, the Company acquired, by staking, one concession in the Province of Castilla for a nominal amount. In 2015, a second contiguous concession was acquired by staking for a nominal amount.

The Company continues to maintain its title and intends to either complete future exploration work or option this property. In February 2017, the Company sold a 0.5% NSR on the San Martin project to Sandstorm for \$50,000. At February 28, 2023, the Company wrote-off \$331,778 in deferred exploration costs related to the San Martin property.

## CONDOR RESOURCES INC.

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *(f) Soledad, Aija Province*

In late 2011, the Company acquired, by sealed bid auction, a 100% interest in one concession in north-central Peru. A second and third concession were acquired by staking in 2015 and 2017.

In April 2017, a Comprehensive Agreement (the "Agreement") was signed with Chakana Resources S.A.C. ("Chakana") with respect to the Soledad project. Pursuant to the Agreement, Chakana has the option to earn a 100% interest in Soledad, over a period of 4.5 years, subject to a 2% NSR in favour of the Company. To earn the 100% interest, Chakana is required to:

- a. complete the following drilling:
  - i. complete a minimum of 3,000m of drilling (or work equivalent) by December 23, 2018 (complete);
  - ii. complete a cumulative total of 5,500m of drilling (or work equivalent) by December 23, 2019 (complete);
  - iii. complete a cumulative total of 8,500m of drilling (or work equivalent) by December 23, 2020 (complete);
  - iv. complete a cumulative total of 12,500m of drilling (or work equivalent) by December 23, 2021 (complete).
- b. make the following cash payments:
  - i. US \$10,000 upon signing the MOU (received);
  - ii. US \$15,000 upon signing the Agreement (received);
  - iii. US \$25,000 by December 23, 2017 (received);
  - iv. US \$50,000 by June 23, 2018 (received);
  - v. US \$50,000 by December 23, 2018 (received);
  - vi. US \$75,000 by June 23, 2019 (received);
  - vii. US \$75,000 by December 23, 2019 (received);
  - viii. US \$100,000 by June 23, 2020 (received);
  - ix. US \$150,000 by December 23, 2020 (received);
  - x. US \$200,000 by June 23, 2021 (received);
  - xi. US \$200,000 by December 23, 2021 (received);
  - xii. US \$4,425,000 by April 23, 2022.
- c. issue 500,000 Chakana Resources Corp. shares to Condor by June 23, 2018, provided Chakana has not terminated the Agreement (received).

In April 2022, the Company entered into an addendum to the Agreement with Chakana with respect to the April 23, 2022 scheduled payment of US \$4,425,000. Pursuant to the addendum, the due date of this payment was extended to June 23, 2022. On signing the addendum, Chakana paid US \$200,000 towards the final payment.

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *(f) Soledad, Aija Province (continued)*

In June 2022, the Company and Chakana entered into an amended option agreement (the “Amended Agreement”) whereby they amended the payment terms of the US \$4,225,000 due on June 23, 2022. Per the terms of the Amended Agreement, Chakana must:

- i. pay US \$800,000 (received) and issue \$200,000 worth of Chakana common shares (received 1,379,310 common shares) by June 23, 2022;
- ii. pay US \$1,000,000 (received) and issue \$200,000 worth of Chakana common shares by June 23, 2023 (received 1,379,310 common shares);
- iii. pay US \$1,000,000 and issue \$200,000 worth of Chakana common shares by June 23, 2024; and
- iv. pay US \$1,425,000 and issue \$400,000 worth of Chakana common shares by June 23, 2025.

The number of Chakana shares to be issued per the Amended Agreement will be based on the greater value of (i) the ten (10) day volume-weighted average trading price on the TSX-V of the Chakana common shares at the date of issuance of the Chakana common shares, or (ii) the price per share of \$0.145.

In April 2019, the NSR was amended, whereby Condor received 900,000 Chakana shares and US \$275,000 cash in consideration for reducing the royalty it would retain on exercise of the purchase option from a 2% NSR to a 1% NSR. Chakana will have the right to buy down Condor’s remaining 1% NSR to a 0.5% NSR by further payment of US \$1,000,000. Pre-production NSR payments scheduled to commence in 2022 have also been eliminated.

In the event Chakana does not exercise their option to acquire the Soledad concessions, Chakana will retain a 1% NSR royalty on the concessions, which Condor will have the option to reduce to a 0.5% NSR by payment of US \$1,000,000.

#### *(g) Quriurqu; Aija and Huarmey Provinces*

In February 2012, the Company acquired, by staking, one concession located both in the Provinces of Aija and Huarmey for a nominal amount. In January 2016, the Company petitioned for 6 sq. km. contiguous and to the south of Quriurqu, and secured this area at a sealed bid auction conducted by the Ministry of Energy & Mines in September bringing the total to 8.5 sq. km. A third 2.5 sq km concession was acquired by sealed bid auction in March 2023.

The Company continues to maintain its title and intends to complete future exploration work or option this property. In February 2017, the Company sold a 0.5% NSR on the Quriurqu project to Sandstorm for \$50,000.

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *(h) Lucero, Castilla Province*

The Company originally acquired by staking three concessions totaling 21 sq. km.

In November 2015, the Company concluded a production royalty agreement with Compañía Minera Casapalca S.A. (“Casapalca”) on the Lucero project. In February 2017, the Company sold 50% of Condor’s production royalties to Sandstorm for \$50,000. In November 2019, Casapalca provided notice of termination of the production royalty agreement. On termination of the Casapalca production royalty agreement, Sandstorm’s interest at Lucero converted to a 0.5% NSR, and 9 additional concessions were transferred from Casapalca to MLDS.

In December 2020, the Company entered into an agreement with Calipuy Resources Inc. (“Calipuy”), a BC private company, whereby Calipuy purchased Condor’s wholly-owned Peruvian subsidiary, MLDS. The principal asset of MLDS is the Lucero project.

Total consideration paid by Calipuy will be US\$3.5 million, payable over six years as follows:

- i. US \$90,000 on the December 21, 2020 (received);
- ii. US \$75,000 on or before June 21, 2022 (received);
- iii. US \$300,000 on or before December 21, 2022 (received);
- iv. US \$500,000 on or before December 21, 2023;
- v. US \$1,000,000 on or before December 21, 2024; and
- vi. US 1,535,000 on or before December 21, 2026.

Calipuy has the option to accelerate the payment schedule to three years, and in such event, the total consideration will be US \$3.0 million, with the final payment being reduced to US \$1,035,000. If the price of gold averages not less than US \$2,500/ounce over the 30-day period preceding the final payment date, the total consideration will increase to US\$4.0 million, with the final payment being US \$2,035,000. If the price of gold averages not less than US \$3,000/ounce over the 30-day period preceding the final payment date, the total consideration will increase to US\$6.0 million, with the final payment being US \$4,035,000.

During the term of the agreement, Condor has the right to participate in future Calipuy financings at a 20% discount to the financing price by converting part or all of any outstanding payments due from Calipuy to the purchase of common shares of Calipuy. Condor’s right to participate in a Calipuy financing is limited to 50% of the financing.

In December 2022, Condor and Element79 Gold Corp. (“Element79”), the parent company of Calipuy, agreed to reschedule the US \$300,000 payment due December 21, 2022 into two payments. The first payment of US \$100,000 was due on or before January 31, 2023 (received), and the balance of US \$200,000 was due on or before March 31, 2023 (received). As consideration for the rescheduled payments, Element79 issued 250,000 common shares to Condor. All other terms of the sale of Minas Lucero del Sur S.A.C. remain unchanged.

**CONDOR RESOURCES INC.**

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**7. EXPLORATION AND EVALUATION ASSETS (continued)*****(h) Lucero, Castilla Province (continued)***

Sandstorm, Condor, Calipuy and MLDS have executed an NSR assignment agreement with respect to Sandstorm's NSR, with Calipuy assuming the NSR obligations to Sandstorm.

The Company recognized a gain on the sale of MLDS in the amount of \$2,756,775. This amount is comprised of the following:

Present value of the total consideration received/receivable	\$	2,810,029
Net assets of MLDS on the date of disposition		(53,254)
Gain on sale of MLDS	\$	2,756,775

Refer also to Note 8.

***(i) Humaya, Ayacucho Department***

The Company previously acquired by staking one concession of 7 sq. km. In February 2017, the Company sold a 0.5% NSR on the Humaya project to Sandstorm for \$50,000.

***(j) Quilisane, Puno Department***

The Company originally acquired by staking, and sealed bid auctions, two concessions comprising a total area of 18.4 sq. km. In February 2017, the Company sold a 0.5% NSR on the Quilisane project to Sandstorm for \$50,000. In 2019, the Company reduced its holdings to 4 sq. km.

***(k) Huiñac Punta, Huanuco Department***

The Company acquired by staking one concession in 2016. In February 2017, the Company sold a 0.5% NSR on the Huiñac Punta project to Sandstorm for \$50,000. Two additional concessions were acquired in November 2017, for a total project area of approximately 20 sq. km. These additional concessions are also subject to the Sandstorm 0.5% NSR.

***(l) Andrea, Ayacucho Department***

The Company acquired a 100% interest in the 22 sq. km Andrea project by staking and by sealed bid auction conducted by the Peruvian Ministry of Energy and Mines. All costs incurred prior to the Company being granted title to Andrea were charged to project generation.

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *(m) Cobreorco, Apurimac Department*

The Company acquired a 100% interest in approximately 50 sq. km by staking, and by sealed bid auctions conducted by the Peruvian Ministry of Energy and Mines.

In December 2023, the Company entered into an option and joint venture agreement (the “Teck Agreement”) on its Cobreorco copper-gold project located in the Apurimac Department, Peru with Teck Perú S.A. (“Teck”), a subsidiary of Teck Resources Limited.

Under the terms of the agreement, Teck has a first option to earn a 55% interest in the Cobreorco project over three years by completing US\$4 million in exploration expenditures and making cash payments totaling US\$500,000. An initial cash payment of US\$80,000 was received by the Company on signing the agreement. The start of the three-year term commences once the permits and approvals required to commence a drill program are in place (the “Permit Date”).

The cash payments and minimum exploration expenditures (the “expenditures”) schedule of the first option is as follows:

- i. US \$80,000 upon signing the Teck Agreement (paid);
- ii. US \$100,000 and US \$500,000 cumulative expenditures on or before the first anniversary of the Permit Date;
- iii. US \$150,000 and US \$2,000,000 cumulative expenditures on or before the second anniversary of the Permit Date; and
- iv. US \$170,000 and US \$4,000,000 cumulative expenditures on or before the third anniversary of the Permit Date.

On exercise of the first option, the parties will form a dedicated holding company which will own the Cobreorco concessions, and thereafter Teck has a second option to increase its interest in the Cobreorco project to 75% over the next three years by completion of a further US\$6 million in exploration expenditures and additional cash payments of US\$600,000 which will be payable based on the date of formation of the dedicated holding company (the “Organization Date”).

The cash payments and minimum exploration expenditures (the “expenditures”) schedule of the second option is as follows:

- v. US \$200,000 on or before the first anniversary of the Organization Date;
- vi. US \$200,000 on or before the second anniversary of the Organization Date; and
- vii. US \$200,000 and US \$6,000,000 in additional expenditures on or before the third anniversary of the Organization Date.



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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### *(n) Cantagallo, Lima Department*

The Company acquired one concession totaling 2 sq. km by staking in 2019.

#### *(o) Rio Bravo, Lima Department*

The Rio Bravo project consists of two concessions, acquired by staking and sealed bid auction in late 2021, and early 2022, with a total area of 20 sq km.

#### *(p) Other Income*

Other income consists of proceeds from the sale of royalties or from the receipt of property option payments or sales proceeds on certain properties in excess of costs previously incurred and deferred by the Company in respect of those interests.

### 8. OTHER RECEIVABLE

Under the terms of the agreement with Calipuy (see Note 7(h)), the Company is owed US\$3.41 million over the period between February 28, 2021 and December 21, 2026. The total consideration receivable is variable dependent upon certain factors, those being the payment terms met by Calipuy and the future price of gold.

On the date of the agreement, the Company assessed the likelihood of receiving each consideration payment amount and as a result estimated total consideration to be received by the Company would be US\$3.25 million (Canadian dollar equivalent of \$4,060,284). The Company recorded this amount at its present value of \$2,694,387, using a discount rate of 10%.

The carrying value of the other receivable as at November 30, 2023 consists of the following:

Balance, February 28, 2022	\$	2,983,973
Payment received		(230,520)
Accretion		291,620
Foreign exchange gain		220,368
Balance, February 28, 2023	\$	3,265,441
Payment received		(269,000)
Accretion		221,026
Foreign exchange loss		(9,248)
Balance, November 30, 2023	\$	3,208,219

The other receivable has been recorded as a financial asset at its fair value, reduced by the actual payments received (\$615,162 received to date) and subject to revaluation on an ongoing basis.

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### 8. OTHER RECEIVABLE (continued)

Amounts outstanding are classified as current in respect to the values applicable to the period ending one year from the balance sheet date; all residual balances are classified as non-current. At November 30, 2023 and February 28, 2023, the current and non-current amounts receivable are as follows:

	November 30, 2023	February 28, 2023
Current portion	\$ 675,548	\$ 902,465
Non-current portion	2,532,671	2,362,976
Balance	\$ 3,208,219	\$ 3,265,441

### 9. RELATED PARTY TRANSACTIONS

The following amounts are due to related parties and are included in trade payables and accrued liabilities:

	November 30, 2023	February 28, 2023
Directors or officers of the Company	\$ 49,600	\$ 54,484

The Company incurred the following transactions with directors and companies controlled by directors of the Company:

	For the nine months ended November 30,	
	2023	2022
Professional fees	\$ 35,216	\$ 58,384

Key management personnel compensation:

	For the nine months ended November 30,	
	2023	2022
Management fees	\$ 126,824	\$ 121,018
Management fees capitalized to mineral properties	59,783	92,731
Management stock-based compensation	-	27,595
	\$ 186,607	\$ 241,344

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

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### 10. LOAN

During the year ended February 28, 2021, the Company obtained federal government-sponsored financing by way of a \$40,000 line of credit, which converted to a two-year non-interest-bearing term loan on January 1, 2021. In October 2022, the Government of Canada advised that the non-interest-bearing term was extended by one year. If not repaid by January 18, 2024, the loan was extendable for a further two years, subject to annual interest of 5%. In June 2023, the Company repaid \$30,000 of the loan. The balance of \$10,000 has been forgiven, resulting in the Company recognizing \$10,000 as other income on the statement of comprehensive income during the period ended November 30, 2023.

### 11. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Share Capital	Contributed Surplus
Authorized:			
Unlimited common shares			
Issued:			
Balance as at February 28, 2022	126,882,308	\$ 22,374,913	\$ 3,587,314
Stock-based compensation	-	-	419,846
Balance as at February 28, 2023	126,882,308	22,374,913	\$ 4,007,160
Exercise of warrants	13,100,000	1,965,000	-
Exercise of options	1,122,500	126,125	-
Fair value of options exercised	-	108,610	(108,610)
Balance as at November 30, 2023	141,104,808	\$ 24,574,648	\$ 3,898,550

#### (a) Share Issuances

During the nine months ended November 30, 2023:

- i. 13,100,000 share purchase warrants were exercised for gross proceeds of \$1,965,000;
- ii. 1,122,500 incentive stock options were exercised for gross proceeds of \$126,125. \$108,610 was transferred from contributed surplus to share capital, being the fair value of the stock options exercised.

During the year ended February 28, 2023, no shares were issued.

#### (b) Stock Options

The Company has a stock option plan (the "Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants at an exercise price to be determined by the board of directors, provided the exercise price is not lower than the market value at time of issue. The Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of grant with each stock option having a minimum term of five years. The board of directors has the exclusive power over the granting and vesting of options subject to exchange rules.

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**11. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)****(b) Stock Options (continued)**During the nine months ended November 30, 2023:

- i. 1,122,500 incentive stock options with a weighted average exercise price of \$0.11 were exercised for gross proceeds of \$126,125.
- ii. 325,000 incentive stock options were forfeited with a weighted average exercise price of \$0.12

During the year ended February 28, 2023:

- iii. the Company granted 500,000 incentive stock options with an exercise price of \$0.11 expiring on October 13, 2027 and the Company granted 4,575,000 incentive stock options with an exercise price of \$0.11 expiring on December 5, 2027; and
- iv. the Company recognized stock-based compensation expense of \$419,846.

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

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2022	7,035,000	\$ 0.11
Granted	5,075,000	0.11
Expired	(3,660,000)	0.12
Outstanding at February 28, 2023	8,450,000	\$ 0.10
Exercised	(1,122,500)	0.11
Forfeited	(325,000)	0.12
Outstanding at November 30, 2023	7,002,500	\$ 0.10

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of the stock options granted during the nine months ended November 30, 2023 and the year ended February 28, 2023:

	For the Nine Months Ended November 30, 2023	For the Year Ended February 28, 2023
Risk-free interest rate	N/A	3.59%
Expected life of options	N/A	5 years
Annualized volatility	N/A	141.00%
Dividend rate	N/A	N/A

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**11. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)****(b) Stock Options (continued)**

At November 30, 2023, the Company had the following incentive stock options outstanding entitling the holders thereof to acquire the following common shares in the Company:

Number of Options	Exercise Price	Expiry Date
500,000	\$0.07	February 13, 2024
50,000	\$0.06	February 13, 2024
2,090,000	\$0.10	June 19, 2025
4,362,500	\$0.11	December 5, 2027
<b>7,002,500</b>		

7,002,500 incentive stock options were exercisable at November 30, 2023. The weighted average remaining life of the outstanding incentive stock options at November 30, 2023 was 2.98 years (February 28, 2023 – 3.73 years).

**(c) Share Purchase Warrants**

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 28, 2022	17,100,000	\$ 0.14
Expired	(4,000,000)	0.10
Outstanding at February 28, 2023	13,100,000	\$ 0.15
Exercised	(13,100,000)	0.15
Outstanding at November 30, 2023	-	\$ -

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### **12. FINANCIAL INSTRUMENTS, MANAGEMENT OF CAPITAL AND FINANCIAL RISK**

#### *Fair value*

All financial instruments are included on the Company's statement of financial position and are measured at either fair value or amortized cost.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable (excluding sales taxes receivable), marketable securities, other receivable, accounts payable and accrued liabilities and loan. The fair values of accounts receivable and accounts payable and accrued liabilities are approximately equal to their carrying value due to their short-term nature.

Financial instruments measured at fair value on the statement of financial position as at November 30, 2023 and as at February 28, 2023 are all classified as Level 1.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### *Credit risk*

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and other receivable. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly-rated financial institutions. However, there is credit risk associated with other receivable due to the current financial position of Element79, the parent company of Calipuy.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at November 30, 2023, the Company had a cash balance of \$2,385,691 to settle current liabilities of \$82,333. All of the Company's financial liabilities are subject to normal trade terms.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

##### (a) Interest rate risk

The Company has cash and cash equivalents and no interest-bearing debt. The Company's current policy is to invest excess cash and cash equivalents in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its bank. As at November 30, 2023, the Company had \$1,929,500 in interest bearing cashable on demand investment grade guaranteed investment certificates.

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### **12. FINANCIAL INSTRUMENTS, MANAGEMENT OF CAPITAL AND FINANCIAL RISK (continued)**

#### (b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, other receivable and accounts payable and accrued liabilities that are denominated in United States Dollars and Peruvian Soles. As at November 30, 2023, approximately 18% of the Company's cash, 100% of its other receivable and 11% of its liabilities are denominated in United States Dollars and/or Peruvian Soles.

#### (c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

#### (d) Political Uncertainty

In conducting operations in Peru, the Company is subject to considerations and risks not typically associated with companies operating in North America. These include risks such as the political, economic and legal environments. Among other things, the Company's results may be adversely affected by changes in the political and social conditions in Peru, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

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

As at November 30, 2023, there was \$8,845 (November 30, 2022 - \$8,013) of exploration and evaluation expenditures included in accounts payable and accrued liabilities.

During the nine months ended November 30, 2023, amortization expense of \$7,483 (November 30, 2022 - \$4,802) was capitalized to mineral properties.

In June 2023, the Company received 1,379,910 common shares of Chakana at a fair value of \$82,758 pursuant to the Soledad amended property option agreement described in Note 7(f(2(i))).

In June 2022, the Company received 1,379,910 common shares of Chakana at a fair value of \$165,517 pursuant to the Soledad amended property option agreement described in Note 7(f(2(i))).

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### **14. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties and to maintain its ability to continue as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage, and as such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management and remained unchanged during the nine months ended November 30, 2023 and the year ended February 28, 2023.

### **15. SUBSEQUENT EVENTS**

Subsequent to November 30, 2023:

- i. US \$80,000 was received from Teck per note 7(m(i)).