



**(Formerly, First Uranium Resources Ltd.)**

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

**RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	Notes	March 31, 2024	December 31, 2023
<b>Assets</b>			
Current assets:			
Cash		\$ 5,155,237	\$ 207,733
GST receivables		167,739	86,511
Prepaid expenses		281,211	90,214
		<b>5,604,187</b>	384,458
Reclamation bond	7	80,990	83,630
Equipment	6	59,228	48,046
<b>Total assets</b>		<b>\$ 5,744,405</b>	\$ 516,134
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	9	\$ 468,888	\$ 490,342
Promissory note payable	5	-	805,000
Total liabilities		<b>468,888</b>	1,295,342
Shareholders' equity:			
Share capital	8	17,891,246	9,778,587
Reserves	8	605,379	403,400
Accumulated other comprehensive (loss) income		(4,868)	7,716
Deficit		(13,216,240)	(10,968,911)
Total shareholders' equity		<b>5,275,517</b>	(779,208)
<b>Total liabilities and shareholders' equity</b>		<b>\$ 5,744,405</b>	\$ 516,134

Nature and continuance of operations (Note 1)

Subsequent events (Notes 8, 14)

The condensed interim consolidated financial statements were approved for issuance on May 29, 2024 by the Board of Directors by:

"Oliver Lennox-King"

Director

"Simon Henderson"

Director

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

**RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended March 31,	
		2024	2023
<b>Operating expenses:</b>			
Exploration and evaluation	7	\$ 630,225	\$ 224,551
Professional fees		171,300	19,285
Marketing expense		87,599	-
Share-based payments	8(e)	38,668	-
Regulatory and filing		23,200	-
Office and administration		16,140	48,496
Depreciation	6	6,496	9,369
		<b>(973,628)</b>	<b>(301,701)</b>
Listing expense	5	<b>(1,275,041)</b>	-
Interest income		1,340	5,610
Other income		-	12,602
<b>Net loss for the period</b>		<b>(2,247,329)</b>	<b>(283,489)</b>
<b>Other comprehensive loss:</b>			
Currency translation adjustment		<b>(12,584)</b>	<b>(8,889)</b>
<b>Net loss and comprehensive loss</b>		<b>\$ (2,259,913)</b>	<b>\$ (292,378)</b>
Weighted average shares outstanding – basic and diluted		<b>121,907,653</b>	81,126,589
Basic and diluted loss per share		<b>\$ (0.02)</b>	<b>\$ (0.00)</b>

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

**RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**  
Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited - Expressed in Canadian dollars)

	Notes	Three months ended March 31,	
		2024	2023
<b>Operating activities</b>			
Net loss for the period		\$ (2,247,329)	\$ (283,489)
Adjustments for:			
Listing expense	5	1,275,041	-
Share-based payments	8(e)	38,668	-
Depreciation	6	6,496	9,369
Changes in non-cash working capital items:			
GST receivables		6,130	9,533
Prepaid expenses		80,191	31,561
Accounts payable and accrued liabilities		(295,261)	(86,350)
<b>Net cash used in operating activities</b>		<b>(1,136,064)</b>	<b>(319,376)</b>
<b>Investing activities</b>			
Cash acquired from Transaction	5	5,611,189	-
Purchase of equipment	6	(19,644)	-
<b>Net cash provided by investing activities</b>		<b>5,591,545</b>	<b>-</b>
<b>Financing activities</b>			
Proceeds from the Loan	5	500,000	-
<b>Net cash provided by financing activities</b>		<b>500,000</b>	<b>-</b>
Net change in cash in the period		4,955,481	(319,376)
Change in foreign exchange – cash and other		(7,977)	(7,155)
Cash, beginning of period		207,733	1,140,629
<b>Cash, end of period</b>		<b>\$ 5,155,237</b>	<b>\$ 814,098</b>

During the three months ended March 31, 2024 and 2023, there were no non-cash investing or financing activities and there was \$nil (March 31, 2023 – \$nil) paid in interest or taxes.

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

**RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	<u>Share Capital</u>		Reserves	Accumulated other comprehensive (loss) income	Deficit	Total shareholders' equity
	Shares	Amount				
Balance, December 31, 2022	81,126,589	\$ 9,778,587	\$ 403,400	\$ 29,538	\$ (9,004,097)	\$ 1,207,428
Foreign currency translation adjustment	-	-	-	(8,889)	-	(8,889)
Net loss for the period	-	-	-	-	(283,489)	(283,489)
<b>Balance, March 31, 2023</b>	<b>81,126,589</b>	<b>\$ 9,778,587</b>	<b>\$ 403,400</b>	<b>\$ 20,649</b>	<b>\$ (9,287,586)</b>	<b>\$ 915,050</b>
Balance, December 31, 2023	81,126,589	\$ 9,778,587	\$ 403,400	\$ 7,716	\$ (10,968,911)	\$ (779,208)
Shares issued in Transaction (Note 5)	112,456,874	8,112,659	-	-	-	8,112,659
Share purchase warrants issued in Transaction (Note 5)	-	-	163,311	-	-	163,311
Share-based payments (Note 8(d))	-	-	38,668	-	-	38,668
Foreign currency translation adjustment	-	-	-	(12,584)	-	(12,584)
Net loss for the period	-	-	-	-	(2,247,329)	(2,247,329)
<b>Balance, March 31, 2024</b>	<b>193,583,463</b>	<b>\$ 17,891,246</b>	<b>\$ 605,379</b>	<b>\$ (4,868)</b>	<b>\$ (13,216,240)</b>	<b>\$ 5,275,517</b>

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

## **RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

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#### **1. Nature and continuance of operations**

Rua Gold Inc. (formerly, First Uranium Resources Ltd.) (the “Company” or “First Uranium”) was incorporated under the Business Corporations Act of British Columbia on December 14, 2016. The address of its registered head office is 1500 - 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

The Company is in the process of exploring its resource properties in New Zealand and has not determined whether these properties contain mineral reserves which are economically recoverable. The recoverability of amounts shown for exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production from the property or proceeds from its disposition.

The Company is listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “RUA” and on the OTC under the symbol “NZAUF.”

#### Reverse Takeover Transaction

On February 27, 2024, the Company completed a definitive agreement (the “Business Combination Agreement”) with Reefton Goldfields Inc. (“Reefton”), pursuant to which the Company acquired all of the issued and outstanding shares of Reefton (the “Transaction”), carried out by way of a three-cornered amalgamation. Concurrent with the closing of the Transaction, First Uranium changed its name to “Rua Gold Inc.” (Note 5).

The Transaction constituted a reverse acquisition for accounting purposes whereby Reefton is treated as the accounting acquirer, and the Company is treated as the accounting acquiree. As Reefton was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these condensed interim consolidated financial statements as their historical carrying values. First Uranium’s results of operations are included from the transaction date. The comparative figures are those of Reefton prior to the Transaction, other than common shares, which have been retrospectively adjusted to reflect those of the Company.

In connection with the closing of the Transaction, the Company changed its financial year-end to December 31, being the same year-end as that of Reefton.

#### Going concern

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

During the three months ended March 31, 2024, the Company recorded a loss of \$2,247,329 (March 31, 2023 – \$283,489). The Company has not yet achieved profitable operations and has a deficit of \$13,216,240 (December 31, 2023 – \$10,968,911) since its inception. The Company expects to incur further losses in the development of its business. The Company is subject to risks and challenges impacting its operations including, but not limited to, the ability to secure adequate financing to meet expenditure requirements including maintenance costs on its exploration and evaluation assets, and to successfully satisfy its commitments and continue as a going concern. The Company is dependent on equity and debt financings to fund its operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements for the three months ended March 31, 2024 do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

## **RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

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Over the past year, global stock markets have experienced volatility and significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets subsequent to March 31, 2024 may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

#### **2. Basis of preparation**

##### **a. Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with IFRS. Certain disclosures required by IFRS have been condensed or omitted in the following note disclosures as they are disclosed or have been disclosed on an annual basis only. Accordingly, these condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

##### **b. Basis of measurement**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair values and cash flow information.

##### **c. Basis of presentation**

These condensed interim consolidated financial statements are presented in Canadian dollars. Items included in the condensed interim consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company and Reefton Acquisition Corp. is the Canadian dollar ("CAD") and the functional currency of Reefton Gold Limited is the New Zealand dollar ("NZD").

##### **d. Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries which it controls: Reefton Acquisition Corp. (formerly Reefton Goldfields Inc.) ("RAC"), Reefton Gold Limited ("RGL") and Advent Gold Limited ("Advent"). Advent is dormant, and no activity has taken place since the year ended December 31, 2021.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the condensed interim consolidated financial statements from the date control is obtained until the date control ceases. All significant intercompany transactions and balances have been eliminated.

#### **3. Material accounting policies**

The accounting policies applied in these condensed interim consolidated financial statements are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2023.

#### **4. Significant accounting estimates and judgements**

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on

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management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### Critical accounting judgements

Judgments made in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are as follows:

##### a. Functional currency

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The functional currency for the Company is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

##### b. Title to exploration and evaluation assets

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

##### c. Transactions

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. There are judgements in measuring the fair value of equity instruments issued as consideration and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

#### Critical accounting estimates

Estimates made in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are as follows:

##### a. Estimated useful lives of equipment

The Company estimates depreciation rates and selects methods used to allocate depreciable amounts of equipment in a systematic basis over their estimated useful lives. Technical obsolescence of equipment could significantly impact estimated residual useful lives and in turn carrying values being over or understated.

##### b. Valuation of share purchase warrants and share options

In calculating the fair value of share purchase warrants and share options issued, management determines the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The inputs used in the model require estimates related to the Company's current share price, share price volatility, dividend yield and the expected life of the equity instrument. To the extent that these estimates are not correct, the value of the instruments within equity may differ.

## **5. Reverse Takeover Transaction**

In accordance with the terms and conditions of the Business Combination Agreement, the Transaction was completed by way of a three-cornered amalgamation, whereby, among other things: (i) 1424060 B.C. Ltd., a wholly-owned subsidiary of First Uranium incorporated for the purpose of effecting the Transaction, amalgamated with Reefton to form an amalgamated company ("Amalco"); (ii) holders of common shares in the capital of Reefton received 1.6 common shares in the capital of First Uranium for each share held in Reefton (the "Exchange Ratio") and Reefton's shares were cancelled; (iii) First Uranium share purchase warrants were issued to the holders of Reefton's share purchase warrants in accordance with the Exchange Ratio, and Reefton's warrants were cancelled; (iv) Amalco became a wholly owned subsidiary of First Uranium; and (v) First Uranium changed its name to "Rua Gold Inc."



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In connection with the Transaction, First Uranium entered into a term sheet to extend to Reefton a non-revolving secured loan credit facility of up to \$805,000 (the "Loan") to fund exploration programs on the Reefton project and for general corporate and working capital purposes, which was drawn in full during the year ended December 31, 2023. On February 16, 2024, the Loan was amended and restated to allow for an additional \$500,000 drawdown, which was received in full during the period ended March 31, 2024. The total principal amount outstanding of \$1,350,000 and all interest accrued thereon was waived in its entirety upon completion of the Transaction.

Upon closing the Transaction, First Uranium issued 112,456,874 common shares to Reefton's shareholders. The First Uranium warrant holders retained 9,309,878 share purchase warrants on the Transaction, which were valued at \$163,311. The fair value of the warrants was determined using the Black Scholes Option Pricing Model (Note 8) and First Uranium cancelled all 400,000 of its issued and outstanding stock options.

The Transaction was accounted for in accordance with guidance provided in IFRS 2 - *Share-Based Payments*, as First Uranium did not qualify as a business according to the definition of IFRS 3 - *Business Combinations*. Accordingly, the Transaction was accounted for as the purchase of First Uranium's net assets by Reefton.

The consideration was measured at the fair value of the shares that Reefton would have had to issue to shareholders of the Company to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the Transaction has it taken the legal form of Reefton acquiring the Company.

The aggregate fair value of the consideration paid, less the net assets acquired has been recognized as a listing expense in the statements of loss and comprehensive loss.

The following table shows the consideration and allocation of the purchase price to the identifiable assets and liabilities based on their estimated fair values at the date of the Transaction:

<b>Purchase Price</b>		
Fair value of common shares issued	\$	8,112,659
Fair value of share purchase warrants retained		163,311
<b>Total consideration</b>		<b>8,275,970</b>
Cash		5,611,189
GST receivables		87,358
Prepaid expenses		271,189
The Loan		1,305,000
Accounts payable and accrued liabilities		(273,807)
<b>Net assets acquired</b>		<b>7,000,929</b>
<b>Listing expense</b>	<b>\$</b>	<b>1,275,041</b>

**RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

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**6. Equipment**

	Computers and office equipment		Exploration equipment		Vehicles		Total
<b>Cost</b>							
Balance, December 31, 2022	\$	26,965	\$	135,270	\$	17,013	\$ 179,248
Additions		4,286		10,606		715	15,607
Currency translation		(623)		(3,462)		(435)	(4,520)
<b>Balance, December 31, 2023</b>		<b>30,628</b>		<b>142,414</b>		<b>17,293</b>	<b>190,335</b>
Additions		-		-		19,644	19,644
Currency translation		(967)		(4,496)		(1,123)	(6,586)
<b>Balance, March 31, 2024</b>	\$	<b>29,661</b>	\$	<b>137,918</b>	\$	<b>35,814</b>	\$ <b>203,393</b>
<b>Accumulated depreciation</b>							
Balance, December 31, 2022	\$	17,428	\$	75,385	\$	12,153	\$ 104,966
Additions		5,901		32,297		1,521	39,719
Currency translation		(239)		(1,853)		(304)	(2,396)
<b>Balance, December 31, 2023</b>		<b>23,090</b>		<b>105,829</b>		<b>13,370</b>	<b>142,289</b>
Additions		1,042		4,679		775	6,496
Currency translation		(749)		(3,434)		(437)	(4,620)
<b>Balance, March 31, 2024</b>	\$	<b>23,383</b>	\$	<b>107,074</b>	\$	<b>13,708</b>	\$ <b>144,165</b>
<b>Net Book Value</b>							
December 31, 2023	\$	7,538	\$	36,585	\$	3,923	\$ 48,046
<b>March 31, 2024</b>	\$	<b>6,278</b>	\$	<b>30,844</b>	\$	<b>22,106</b>	\$ <b>59,228</b>

**7. Exploration and evaluation expenditures**

The Company's exploration and evaluation expenditures are expensed as incurred. During the three months ended March 31, 2024 and 2023, the Company incurred the following expenditures:

	Three months ended March 31,	
	2024	2023
Drilling	\$ 252,830	\$ 6,281
Salaries	153,685	134,421
Office and other	83,788	32,940
Field expenses	58,198	48,688
Consultants	51,908	2,221
Permits	29,816	-
	\$ 630,225	\$ 224,551

The Company's current operations comprises one prospecting permit and three exploration permits.

- Kirwans East – Permit 60554 is a prospecting permit which was granted to RGI on September 27, 2019 for a period of 4 years, which expired on September 26, 2023. During the year ended December 31, 2023, the Company submitted an application to New Zealand Petroleum and Minerals (“NZPAM”) for an additional duration of 5 years, extendable to 10 years. The permit remains in good standing beyond the expiry date while the application is being considered by the NZPAM.

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- Caplestone – Permit 60491 is an exploration permit that was granted on April 12, 2019 for a term of 5 years and expired on April 11, 2024. The permit is subject to an Extension of Duration (“EoD”), which may provide an additional 5 years of exploration. The EoD application is still pending, however while it is being considered by NZPAM, the permit remains in good standing beyond the expiry date. The Company has a commitment to pay NZD 8,000 on an annual basis to keep the permit in good standing. In addition, the Company has paid a reclamation deposit as part of an access arrangement in the amount of \$80,990 (NZD \$100,000) (December 31, 2023 – \$83,630 (NZD \$100,000)).
- Kirwans Hill – Permit 60624 (previously 60377) is an exploration permit which was granted on September 22, 2020 for a period of 5 years, expiring on September 21, 2025. The permit was acquired through an option agreement with MGP Partnership, which maintains a 1% net-smelter returns royalty (“NSR”) on all precious metals and minerals produced from hard rock mining conducted under the permit.
- Hauraki – Permit 60950 is an exploration permit which was granted on October 31, 2023 for a period of 5 years, expiring on October 31, 2028. The permit was acquired through NZPAM’s newly available acreage process.

#### 8. Share capital

##### (a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2024, the Company has 193,583,463 (December 31, 2023 – 112,456,874) common shares outstanding.

##### (b) Issued and outstanding

During the year ended December 31, 2023, there were no share transactions.

On February 27, 2024, pursuant to the terms of the Transaction, the Company issued 112,456,874 common shares to former shareholders of Reefton with a fair value of \$8,112,659 (Note 5).

##### (c) Escrowed shares

As part of the Transaction, certain directors of the Company entered into an Escrow Agreement with Computershare Investor Services Inc. with respect of 24,632,625 common shares of the Company. Under the terms of the Escrow Agreement, 1/10 of the escrowed common shares were released upon listing of the Company on the CSE on March 4, 2024, with subsequent 1/6 releases occurring 6, 12, 18, 24, 30, and 36 months thereafter. As at March 31, 2024, 22,169,363 common shares were held in escrow.

##### (d) Share purchase warrants

	Warrants outstanding	Weighted average exercise price
Balance, December 31, 2023 and 2022	8,480,000	\$0.20
Granted pursuant to the Transaction (Note 5)	9,309,878	\$0.26
<b>Balance, March 31, 2024</b>	<b>17,789,878</b>	<b>\$0.23</b>

On February 27, 2024, pursuant to the terms of the Transaction, 9,309,878 share purchase warrants held by the First Uranium shareholders were retained. The warrants had exercise prices of \$0.20 to \$0.50 and a fair value of \$163,311 (Note 5). In addition, Reefton had 5,300,000 (8,480,000 post-Transaction) share purchase warrants previously issued and outstanding, which were adjusted by the exchange ratio of 1.6 and the exercise price was amended to \$0.20. There was an incremental value of \$nil recognized on the modification.

The Company used the Black-Scholes Option Pricing Model to value the First Uranium share purchase warrants with the following assumptions:

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	<b>2024</b>	<b>2023</b>
Risk-free interest rate	4.33%	-
Expected life	1.08 years	-
Annualized volatility	100.00%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

The following table summarizes information about the share purchase warrants as at March 31, 2024:

<b>Exercise Price</b>	<b>Number of warrants outstanding</b>	<b>Expiry date</b>	<b>Remaining contractual life</b>
\$0.20	15,980,000	March 31, 2025	1.00 year
\$0.50	1,809,878	June 19, 2024	0.22 years
	<b>17,789,878</b>		<b>0.92 years</b>

*(e) Share options*

The Company has adopted a rolling stock option plan (the “Plan”) whereby the option to acquire up to 10% of the issued share capital may be granted to eligible optionees from time to time. The Plan permits options granted to have a maximum term of ten years, a vesting period determined by the directors, and the exercise price may not be less than the market price, as prescribed by regulatory requirements. A summary of the changes in the share options is presented below:

	<b>Options outstanding</b>	<b>Weighted average exercise price</b>
Balance, December 31, 2023 and 2022	-	-
Granted	10,000,000	\$0.10
<b>Balance, March 31, 2024</b>	<b>10,000,000</b>	<b>\$0.10</b>

The following table summarizes information about the share options exercisable as at March 31, 2024:

<b>Exercise Price</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>	<b>Remaining contractual life</b>
\$0.10	10,000,000	-	4.92 years
	<b>10,000,000</b>	-	

On March 1, 2024, the Company granted 10,000,000 stock options with an exercise price of \$0.10 per share, exercisable until March 1, 2029. The stock options vest equally over three years, commencing one year after the grant date. During the three months ended March 31, 2024, the Company recorded a share-based payments expense of \$38,668 (March 31, 2023 – \$nil).

The Company used the Black-Scholes Option Pricing Model to value the share options granted using the following assumptions:

	<b>2024</b>	<b>2023</b>
Risk-free interest rate	3.59%	-
Expected life	5 years	-
Annualized volatility	100.00%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

Subsequent to March 31, 2024, 2,500,000 share options with a weighted average exercise price of \$0.21 were granted by the Company.

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#### **9. Related party transactions**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company's key management personnel include all directors and officers of the Company and the companies controlled by these individuals.

During the three months ended March 31, 2024, the Company paid salaries and consulting fees of \$70,182 (March 31, 2023 – \$48,174) to officers of the Company, and incurred share-based payments expense of \$31,321 (March 31, 2023 – \$nil) to directors and officers of the Company.

Officers and directors of the Company were also reimbursed for out-of-pocket expenses that occur in the normal course of operations. As at March 31, 2024, there was \$28,494 (December 31, 2023 – \$2,375) payable to officers of the Company included in accounts payable and accrued liabilities. The amounts are unsecured, non-interest bearing and have no terms of repayment.

#### **10. Financial instruments and risk management**

##### Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are as follows:

- Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).
- Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

As at March 31, 2024 and 2023, the Company did not have any financial instruments carried at FVTPL. The carrying values of the Company's financial assets and liabilities carried at amortized cost, including cash, accounts payable and accrued liabilities, and promissory note payable, approximate fair value due to their short terms to maturity.

##### Risk management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below:

(i) Credit risk

Credit risk is the risk that may arise on outstanding financial instruments should a counter party default on its obligation. The Company's primary exposure to credit risk is in its cash accounts. The Company's cash balances are held with large, credit worthy financial institutions and as such, the risk of loss is considered to be low.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's financial liabilities consist of its accounts payable and accrued liabilities and the promissory note payable. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its budget, forecasts and expenditures accordingly. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2024, the Company had a cash balance of \$5,155,237 (December 31, 2023 – \$207,733) to cover its accounts payable and accrued liabilities

## **RUA GOLD INC. (Formerly, First Uranium Resources Ltd.)**

### Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

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of \$468,888 (December 31, 2023 – \$490,342). In order to maintain its current level of operations the Company may need to secure additional financing (Note 1).

(iii) Market price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations, amongst other things, in the market price of commodities, global financial markets and investor sentiment. The Company closely monitors commodity prices and financial markets to determine the appropriate course of action to be taken by the Company.

(iv) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows on an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange relates primarily to those of the Company's net assets denominated in NZD. A 10% change in the value of CAD relative to NZD would not have a significant impact on these condensed interim consolidated financial statements.

#### **11. Capital management**

In the management of capital, the Company includes the components of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral projects for the benefits of stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of common shares.

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 asset. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint arrangements, or dispose of assets. The Company is not subject to any externally imposed capital requirements.

#### **12. Segmented operations**

The Company business consists of only one operating segment, being the exploration and evaluation of mineral properties in New Zealand.

The Company's geographic information for the three months ended March 31, 2024 include total assets of \$5,316,591 (December 31, 2023 – \$186,653) in Canada and \$427,814 (December 31, 2023 – \$329,481) in New Zealand, and total losses of \$1,610,608 (March 31, 2023 – \$1,256) in Canada and \$636,721 (March 31, 2023 – \$282,233) in New Zealand.

#### **13. Commitments**

On February 1, 2024, the Company entered into a marketing services agreement pursuant to which it agreed to spend no less than \$300,000 for a 12-month term ending on January 31, 2025 on marketing services to provide marketing and investor awareness, including digital advertisements, sponsored videos and e-mail marketing services.

#### **14. Subsequent events**

Subsequent to March 31, 2024, the Company adopted a Deferred Share Unit ("DSU") Plan. The number of DSU's which may be reserved for issuance must be taken into consideration with the Company's other share compensation arrangements and those, in combination, shall not be greater than 10% of the number of shares outstanding. The Company granted 875,476 DSUs to directors of the Company with a value of \$0.176.