RUAGOLD

(Formerly, First Uranium Resources Ltd.)

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

(Unaudited - Expressed in Canadian dollars)

	Notes		June 30, 2024		December 31, 2023
Assets					
Current assets:					
Cash		**$**	**3,375,631**	$	207,733
GST receivables			**136,430**		86,511
Deferred financing costs	14		**113,000**		-
Prepaid expenses			**415,208**		90,214
			4,040,269		384,458
Reclamation bond	7		**83,400**		83,630
Equipment	6		**63,754**		48,046
Total assets		**$**	**4,187,423**	$	516,134
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	9	**$**	**374,171**	$	490,342
Promissory note payable	5		**-**		805,000
Total liabilities			**374,171**		1,295,342
Shareholders' equity:					
Share capital	8		**17,891,246**		9,778,587
Reserves	8		**797,886**		403,400
Accumulated other comprehensive (loss) income			**(8,070)**		7,716
Deficit			**(14,867,810)**		(10,968,911)
Total shareholders' equity			**3,813,252**		(779,208)
Total liabilities and shareholders' equity		**$**	**4,187,423**	$	516,134

Nature and continuance of operations (Note 1)
Subsequent events (Notes 1, 14)

The condensed interim consolidated financial statements were approved for issuance on August 21, 2024 by the Board of Directors by:

“*Tyron Breytenbach*”	"*Robert Eckford*"
Director	Director

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 June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Operating expenses:					
Exploration and evaluation	7	**$ 597,989**	$ 301,588	**$ 1,228,214**	$ 526,139
Marketing expense		**546,418**	**-**	**634,017**	-
Transaction costs	5, 14	**144,000**	**-**	**274,500**	-
Share-based payments	8	**192,507**	**-**	**231,175**	-
Professional fees		**67,685**	61,011	**128,985**	80,296
Salaries and wages		**89,874**	**-**	**93,190**	-
Office and administration		**30,642**	65,520	**43,466**	114,016
Regulatory and filing		**20,694**	**-**	**23,394**	-
Depreciation	6	**7,959**	9,369	**14,455**	18,738
		(1,697,768)	(437,488)	**(2,671,396)**	(739,189)
Listing expense	5	**-**	**-**	**(1,275,041)**	-
Interest income		**32,470**	3,854	**33,810**	9,464
Other income		**13,728**	2,665	**13,728**	15,267
Net loss for the period		**(1,651,570)**	(430,969)	**(3,898,899)**	(714,458)
Other comprehensive loss:					
Currency translation adjustment		**(3,202)**	(15,359)	**(15,786)**	(24,248)
Net loss and comprehensive loss		**$ (1,654,772)**	$ (446,328)	**$ (3,914,685)**	$ (738,706)
Weighted average shares outstanding – basic and diluted		**193,583,463**	70,285,546	**157,745,828**	70,285,546
Basic and diluted loss per share		**$ (0.01)**	$ (0.01)	**$ (0.02)**	$ (0.01)

- 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	Six months ended June 30, 2024	2023
Operating activities			
Net loss for the period		**$ (3,898,899)**	$ (714,458)
Adjustments for:			
Listing expense	5	**1,275,041**	-
Share-based payments	8	**231,175**	-
Depreciation	6	**14,455**	18,738
Changes in non-cash working capital items:			
GST receivables		**37,439**	7,105
Deferred financing costs	14	**(113,000)**	-
Prepaid expenses		**(53,806)**	71,622
Accounts payable and accrued liabilities		**(389,978)**	(22,653)
Net cash used in operating activities		**(2,897,573)**	(639,646)
Investing activities			
Cash acquired from Transaction	5	**5,611,189**	-
Purchase of equipment	6	**(30,336)**	(8,964)
Net cash provided by (used in) investing activities		**5,580,853**	(8,964)
Financing activities			
Proceeds from the Loan	5	**500,000**	-
Net cash provided by financing activities		**500,000**	-
Net change in cash in the period		**3,183,280**	(648,610)
Change in foreign exchange – cash and other		**(15,382)**	(17,054)
Cash, beginning of period		**207,733**	1,140,629
Cash, end of period		**$ 3,375,631**	$ 474,965

During the six months ended June 30, 2024 and 2023, there were no non-cash investing or financing activities and there was $nil (June 30, 2023 – $nil) paid in interest or taxes.

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

(Unaudited - Expressed in Canadian dollars)

	Share Capital					
	Shares	**Amount**	**Reserves**	**Accumulated other comprehensive (loss) income**	**Deficit**	**Total shareholders' equity**
Balance, December 31, 2022	81,126,589	$ 9,778,587	$ 403,400	$ 29,538	$ (9,004,097)	$ 1,207,428
Foreign currency translation adjustment	-	-	-	(24,248)	-	(24,248)
Net loss for the period	-	-	-	-	(714,458)	(714,458)
Balance, June 30, 2023	**81,126,589**	**$ 9,778,587**	**$ 403,400**	**$ 5,290**	**$ (9,718,555)**	**$ 468,722**
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)	-	-	231,175	-	-	231,175
Foreign currency translation adjustment	-	-	-	(15,786)	-	(15,786)
Net loss for the period	-	-	-	-	(3,898,899)	(3,898,899)
Balance, June 30, 2024	**193,583,463**	**$ 17,891,246**	**$ 797,886**	**$ (8,070)**	**$ (14,867,810)**	**3,813,252**

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

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.

As of July 29, 2024, the Company's common shares are listed for trading on the TSX Venture under the symbol "RUA" and have been delisted from the Canadian Securities Exchange. The Company's common shares are also listed for trading 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 six months ended June 30, 2024, the Company recorded a loss of $3,898,899 (June 30, 2023 – $714,458). The Company has not yet achieved profitable operations and has a deficit of $14,867,810 (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 six months ended June 30, 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.

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 June 30, 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 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."

(Unaudited - Expressed in Canadian dollars)

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 prior to the closing of the Transaction. 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. During the six months ended June 30, 2024, the Company incurred $113,929 in transaction costs relating to the Transaction which were expensed on the condensed interim consolidated statements of loss.

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:

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

(Unaudited - Expressed in Canadian dollars)

6. Equipment

		Computers and office equipment		Exploration equipment		Vehicles		Total
Cost								
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)
Balance, December 31, 2023		**30,628**		**142,414**		**17,293**		**190,335**
Additions		-		10,692		19,644		30,336
Currency translation		(83)		(301)		(57)		(441)
Balance, June 30, 2024	**$**	**30,545**	**$**	**152,805**	**$**	**36,880**	**$**	**220,230**
Accumulated depreciation								
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)
Balance, December 31, 2023		**23,090**		**105,829**		**13,370**		**142,289**
Additions		2,082		9,804		2,569		14,455
Currency translation		(46)		(207)		(15)		(268)
Balance, June 30, 2024	**$**	**25,126**	**$**	**115,426**	**$**	**15,924**	**$**	**156,476**
Net Book Value								
December 31, 2023	$	7,538	$	36,585	$	3,923	$	48,046
June 30, 2024	**$**	**5,419**	**$**	**37,379**	**$**	**20,956**	**$**	**63,754**

7. Exploration and evaluation expenditures

The Company's exploration and evaluation expenditures are expensed as incurred. During the three and six months ended June 30, 2024 and 2023, the Company incurred the following expenditures:

		Three months ended June 30,				Six months ended June 30,		
		2024		2023		**2024**		2023
Drilling	**$**	**151,594**	$	9,768	**$**	**404,424**	$	16,049
Salaries		**166,712**		138,396		**320,397**		272,817
Office and other		**119,152**		32,727		**202,940**		65,667
Field expenses		**75,720**		60,185		**133,918**		108,873
Consultants		**50,337**		60,512		**102,245**		62,733
Permits		**34,474**		-		**64,290**		-
	$	**597,989**	$	301,588	**$**	**1,228,214**	$	526,139

A summary of the Company's permits is listed below:

- Kirwans East – Permit 61062 (formerly, prospecting permit 60554) is an exploration permit which was granted on May 16, 2024 for a period of 5 years, expiring on May 16, 2029.The Company previously held prospecting permit 60554, which had an expiry date of September 26, 2023. The Company applied to the New Zealand Petroleum and Minerals ("NZPAM") to convert the permit to an exploration permit and was granted and issued exploration permit 61062.

- Capleston – Permit 60491 is an exploration permit that had an original expiry date of April 11, 2024. During the period ended June 30, 2024, the NZPAM has granted an extension of duration to April 11, 2029. New Zealand's Department of Conservation ("DoC") has also extended the duration of land access in respect of exploration permit 60491 to be consistent with the new expiry date of the permit. In addition, the Company has paid a reclamation deposit as part of an access arrangement in the amount of $83,400 (NZD $100,000) (December 31, 2023 – $83,630 (NZD $100,000)).

(Unaudited - Expressed in Canadian dollars)

- Kirwans Hill – Permit 60624 (formerly, prospecting permit 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 June 30, 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 June 30, 2024, 22,169,363 common shares were held in escrow.

(d) Share purchase warrants

	Warrants outstanding	Weighted average exercise price
Balance, December 31, 2022 and 2023	8,480,000	$0.20
Granted pursuant to the Transaction (Note 5)	9,309,878	$0.26
Expired	(1,809,878)	$0.50
Balance, June 30, 2024	**15,980,000**	**$0.20**

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.

(Unaudited - Expressed in Canadian dollars)

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

	2024	**2023**
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 June 30, 2024:

Exercise Price	**Number of warrants outstanding**	**Expiry date**	**Remaining contractual life**
$0.20	15,980,000	March 31, 2025	0.75 years
	15,980,000		**0.75 years**

(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:

	Options outstanding	**Weighted average exercise price**
Balance, December 31, 2023 and 2022	-	-
Granted	12,500,000	$0.12
Balance, June 30, 2024	**12,500,000**	**$0.12**

The following table summarizes information about the share options exercisable as at June 30, 2024:

Exercise Price	**Number of options outstanding**	**Number of options exercisable**	**Remaining contractual life**
$0.10	10,000,000	-	4.67 years
$0.18	1,500,000	-	4.80 years
$0.25	1,000,000	-	4.83 years
	12,500,000	**-**	

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. On April 17, 2024, the Company granted 1,500,000 stock options with an exercise price of $0.18 per share, exercisable until April 17, 2029. On April 29, 2024, the Company granted 1,000,000 stock options with an exercise price of $0.25 per share, exercisable until April 29, 2029. The stock options vest equally over three years, commencing one year after the grant date. During the three and six months ended June 30, 2024, the Company recorded a share-based payments expense of $153,715 (June 30, 2023 - $nil) and $192,383 (June 30, 2023 – $nil), respectively, relating to the vesting of the options.

(Unaudited - Expressed in Canadian dollars)

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

	2024	**2023**
Risk-free interest rate	3.63%	-
Expected life	5 years	-
Annualized volatility	100.00%	-
Dividend rate	0.00%	-
Forfeiture rate	0.00%	-

(f) Deferred share units

On April 17, 2024 and amended on July 24, 2024, the Company adopted a Deferred Share Unit ("DSU") Plan to compensate non-executive directors for their director fees and any other discretionary grants of DSUs by the Board of Directors. The number of DSUs 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. Each DSU is redeemable only when the director has ceased to be a member of the Board of Directors. The vested units are settled with common shares of the Company once redeemed. A summary of the changes in the DSUs is presented below:

	DSUs outstanding	**Weighted average grant price**
Balance, December 31, 2022 and 2023	-	-
Granted	1,201,803	$0.18
Balance, June 30, 2024	**1,201,803**	**$0.18**

On April 17, 2024, the Company granted 125,476 DSUs with a resulting fair value of $22,082 (June 30, 2023 - $nil) which vested immediately, and the full amount was recognized as share-based compensation expense during the period ended June 30, 2024. On April 17, 2024, the Company also granted 750,000 DSUs with a resulting fair value of $131,250 (June 30, 2023 - $nil) which vest equally over three years commencing one year after the grant date and $16,710 (June 30, 2023 - $nil) of share-based compensation expense was recognized relating to the vesting of these DSUs during the period ended June 30, 2024. On June 30, 2024, the Company granted 326,327 DSUs with a resulting fair value of $62,981 (June 30, 2023 - $nil), which vest over the period of one year and $nil (June 30, 2023 - $nil) of share-based compensation expense was recognized during the period ended June 30, 2024.

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. The remuneration of key management personnel during the period were as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2024	**2023**	**2024**	**2023**
Salaries and wages	**$ 145,102**	$ 42,205	**$ 196,430**	$ 84,745
Professional fees	**27,000**	6,055	**45,900**	12,565
Share-options granted	**131,674**	-	**162,995**	-
DSUs granted	**38,793**	-	**38,793**	-
	$ 342,569	$ 48,260	**$ 444,118**	$ 97,310

Officers and directors of the Company were also reimbursed for out-of-pocket expenses that occur in the normal course of operations. As at June 30, 2024, there was $18,264 (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 June 30, 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 meetings 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 June 30, 2024, the Company had a cash balance of $3,375,631 (December 31, 2023 – $207,733) to cover its accounts payable and accrued liabilities of $374,171 (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 six months ended June 30, 2024 include total assets of $3,903,484 (December 31, 2023 – $186,653) in Canada and $283,939 (December 31, 2023 – $329,481) in New Zealand, and total losses of $2,669,958 (June 30, 2023 – $50,963) in Canada and $1,228,941 (June 30, 2023 – $663,495) 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

Share Purchase Agreement

On July 12, 2024, the Company entered into a definitive share purchase agreement (the "Agreement"), pursuant to which the Company will acquire 100% of the issued and outstanding shares of Reefton Resources Pty Limited ("RRL"), a 100% owned subsidiary of Siren Gold Ltd. ("Siren") with tenements located adjacent to the Company's suite of properties in New Zealand's prolific Reefton Goldfield (the "Reefton Transaction"). As consideration for the acquisition of RRL, the Company will:

- pay an aggregate of AUD$2,000,000 (subject to a working capital adjustment) to Siren, of which (i) AUD$1,000,000 was paid by the Company upon entering into the Agreement in the form of a forgivable loan, repayable only in the event the Agreement is terminated prior to consummation of the Reefton Transaction, evidenced by a promissory note issued by Siren in favor of the Company and secured by an enforceable security interest in all of Reefton's present and after-acquired personal property; and (ii) AUD$1,000,000 will be payable at the completion of the Reefton Transaction (the "Closing Date"); and
- on the Closing Date, issue 83,927,383 common shares in the capital of the Company to Siren at a deemed price of C$0.1983 per share, based on the 30-day volume-weighted average price of the common shares of the Company prior to the date of the Agreement, having an aggregate value of AUD$18,000,000 (the "Consideration Shares").

During the six months ended June 30, 2024, the Company incurred $79,095 in transaction costs relating to the Reefton Transaction which were expensed on the condensed interim consolidated statements of loss. The Reefton Transaction is expected to close in the last quarter of 2024, subject to regulatory approvals and satisfaction of all conditions under the Agreement.

Financing

On July 25, 2024, the Company closed a public offering consisting of 44,445,000 common shares of the Company at a price of $0.18 per common share for aggregate gross proceeds of $8,000,100 (the "Offering"). The Offering was completed pursuant to an agency agreement (the "Agency Agreement") between the Company and the Agents. Pursuant to the Agency Agreement, the Company has granted the Agents an over-allotment option (the "Over-Allotment Option") exercisable to sell up to an additional 6,666,750 common shares for up to 30 days following closing of the Offering, on the same terms and conditions as the Offering.

In consideration for services rendered in connection with the Offering, the Company paid the Agents an aggregate cash fee of approximately $402,000 and issued to the Agents an aggregate of 2,483,366 broker warrants (the "Broker Warrants"). Each Broker Warrant is exercisable to acquire one common share at the exercise price of $0.18 per common share for a period of 24 months following the closing of the Offering. During the six months ended June 30, 2024, the Company incurred $113,000 in deferred financing costs relating to the Offering.