GOLD TERRA RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

March 31, 2023

(Expressed in Canadian Dollars)

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	March 31, 2023	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		$ 1,066,878	$ 3,060,107
GST/HST receivables		75,872	24,003
Prepaids and deposits		191,606	233,778
		1,334,356	3,317,888
Non-current			
Equipment	3	10,051	7,067
Reclamation deposits	4	152,540	152,540
Exploration and evaluation assets	5	47,133,844	45,663,333
		47,296,435	45,822,940
		$ 48,630,791	$ 49,140,828
LIABILITIES			
Current			
Trade payables and accrued liabilities	6, 7	$ 406,869	$ 458,802
Deferred premium on flow-through shares	12	151,596	444,860
		558,465	903,662
Non-current			
Deferred income tax liability	13	823,000	544,000
		823,000	544,000
		1,381,465	1,447,662
SHAREHOLDERS' EQUITY			
Share capital	8	63,938,269	63,935,469
Share-based payment reserve	8, 9	4,591,156	4,551,452
Deficit		(21,280,099)	(20,793,755)
		47,249,326	47,693,166
		$ 48,630,791	$ 49,140,828

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

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 29, 2023.

They are signed on the Company's behalf by:

"Gerald Panneton"	***"Patsie Ducharme"***
Gerald Panneton, Chairman and Chief Executive Officer	Patsie Ducharme, Director

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited; Expressed in Canadian dollars)

	Note	Three months ended March 31 2023	Three months ended March 31 2022
EXPENSES			
Amortization	3	$ 1,565	$ 643
Consulting		12,600	26,358
Directors' fees	7	23,750	14,250
Management compensation	7	90,000	135,000
Office, rent and miscellaneous		17,825	14,041
Professional fees	7	57,696	58,496
Salaries and benefits		66,981	61,955
Share-based payments	7, 8	39,704	52,082
Transfer agent, filing fees and shareholder communications		136,139	219,258
Travel and related costs		54,348	24,103
		(500,608)	(606,186)
OTHER ITEMS			
Flow-through share premium reversal	12	293,264	403,204
LOSS BEFORE INCOME TAXES		(207,344)	(202,982)
Deferred income tax expense	13	(279,000)	-
NET AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (486,344)	$ (202,982)
Loss per share - basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted		238,880,800	203,973,229

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Note	Number of shares		Share capital		Reserves		Deficit		Total shareholders' equity
Balance at December 31, 2021 (audited)		**196,471,494**	**$**	**56,724,768**	**$**	**4,342,798**	**$**	**(18,932,918)**	**$**	**42,134,648**
Loss for the period		-		-		-		(202,982)		(202,982)
Shares issued on financing	8	21,721,166		5,604,970		-		-		5,604,970
Shares issued to acquire property	8	60,000		13,800		-		-		13,800
Share issuance costs	8	-		(714,008)		-		-		(714,008)
Flow-through share premium	12	-		(1,043,526)		-		-		(1,043,526)
Share-based payments	8	-		-		52,082		-		52,082
Balance at March 31, 2022 (unaudited)		**218,252,660**		**60,586,004**		**4,394,880**		**(19,135,900)**		**45,844,984**
Loss for the period								(1,657,855)		(1,657,855)
Shares issued on financings	8	20,628,085		3,782,717		-		-		3,782,717
Share issuance costs	8	-		(196,999)		-		-		(196,999)
Tax effect on share issuance costs	13	-		245,970		-		-		245,970
Flow-through share premium	12	-		(482,223)		-		-		(482,223)
Share-based payments	8	-		-		156,572		-		156,572
Balance at December 31, 2022 (audited)		**238,880,745**		**63,935,469**		**4,551,452**		**(20,793,755)**		**47,693,166**
Loss for the period		-		-		-		(486,344)		(486,344)
Shares issued to acquire property	8	20,000		2,800		-		-		2,800
Share-based payments	8	-		-		39,704		-		39,704
Balance at March 31, 2023 (unaudited)		**238,900,745**	**$**	**63,938,269**	**$**	**4,591,156**	**$**	**(21,280,099)**	**$**	**47,249,326**

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited; Expressed in Canadian dollars)

	Three months ended March 31	
	2023	**2022**
Cash provided by (used in):		
Operating activities		
Net loss	$ (486,344)	$ (202,982)
Items not involving cash:		
Deferred income tax expense	279,000	-
Amortization	1,565	643
Share-based payments	39,704	52,082
Flow-through premium reversal	(293,264)	(403,204)
Changes in non-cash working capital items:		
Receivables	(51,869)	(85,297)
Prepaids and deposits	42,172	(19,627)
Deposit	-	(25,000)
Trade payables and accrued liabilities	(61,290)	(21,861)
Net cash used in operating activities	(530,326)	(705,246)
Investing activities		
Expenditures on exploration and evaluation assets	(1,452,572)	(1,674,178)
Purchase of equipment	(4,549)	-
Net cash used in investing activities	(1,457,121)	(1,674,178)
Financing activities		
Issuance of common shares, net of share issuance costs	(5,782)	5,075,423
Net cash(used in) provided by financing activities	(5,782)	5,075,423
Change in cash and cash equivalents	(1,993,229)	2,695,999
Cash and cash equivalents - beginning of period	3,060,107	2,149,245
Cash and cash equivalents - end of period	$ 1,066,878	$ 4,845,244

Supplemental cash flow information (Note 11)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold Terra Resource Corp. (the "Company" or "Gold Terra") was incorporated under the Business Corporations Act (British Columbia) on August 1, 2007 and its principal activity is the exploration and development of mineral properties in Canada. The Company changed its name from TerraX Minerals Inc.to Gold Terra Resource Corp. on February 13, 2020. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "YGT" and OTCQX Market under the symbol "YGTFF".

The head office of the Company is located at 410-325 Howe Street, Vancouver, British Columbia, Canada, V6C 1Z7. The registered address and records office of the Company is located at 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

The Company has one wholly-owned subsidiary, Gold Matter Corporation ("Gold Matter"), which was incorporated under the Business Corporations Act (Ontario).

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2023, the Company has not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards ("IFRS")
These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of consolidation and presentation
These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

The preparation of condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

(Unaudited; Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the period ended December 31, 2022.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the period ended December 31, 2022. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the current fiscal year.

New accounting standards and interpretations

There were no new accounting standards and interpretations which had a material impact on adoption during the three months ended March 31, 2023.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

3. EQUIPMENT

Cost		
Balance, January 31, 2022	$	221,533
Acquisitions		4,834
Balance, December 31, 2022		226,367
Acquisitions		4,549
Balance, March 31, 2023	$	230,916
Accumulated amortization		
Balance, January 31, 2022	$	216,358
Amortization		2,942
Balance, December 31, 2022		219,300
Amortization		1,565
Balance, March 31, 2023	$	220,865
Net book value, December 31, 2022	$	7,067
Net book value, March 31, 2023	$	10,051

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4. RECLAMATION DEPOSITS

As of March 31, 2023, security deposits of $152,540 (December 31, 2022 - $152,540) were deposited with the Minister of Aboriginal Affairs and Northern Development Canada for land use permits issued by the Mackenzie Valley Land and Water Board (“MVLWB”) for the Company’s exploration properties in the Northwest Territories. The security deposits will be refunded once the land use permit ends and a final report describing land use activities during the respective term of the permits are submitted to the MVLWB and reclamation activities are completed.

5. EXPLORATION AND EVALUATION ASSETS

(a) Yellowknife City Gold Project, Northwest Territories

The Yellowknife City Gold project (“YCG”) is comprised of the Northbelt, Southbelt, Eastbelt and Quyta-Bell properties in the Northwest Territories as well as additional claims and property interests that have been acquired and incorporated into the Northbelt, Southbelt and Eastbelt properties as described in more detail below.

In May 2013 and May 2015, the Company granted Osisko Gold Royalties Ltd. (formerly Virginia Mines Inc.) (“Osisko”) an option to acquire a 3% net smelter return royalty (“NSR”) on certain properties in the YCG by making a payment of $4,000,000 within three months following commencement of production.

Northbelt Property

The Company owns 100% of the mineral lease and claims in the Northbelt Property.

To March 31, 2023, the Company has incurred exploration and evaluation expenditures, net of recoveries, totalling $34,580,380 (December 31, 2022 - $34,539,917) on the Northbelt Property.

Southbelt Property

The Company owns 100% of the mineral claims in the Southbelt Property.

To March 31, 2023, the Company has incurred exploration and evaluation expenditures totalling $582,161 (December 31, 2022 - $582,161) on the Southbelt Property.

Eastbelt Property

On February 1, 2017, the Company announced that it had staked certain claims east of the City of Yellowknife known as the Eastbelt Property that have been incorporated into the YCG.

On September 15, 2017, the Company acquired contiguous claims which have been incorporated into the Eastbelt Property. The claims are subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000. On completion of the acquisition, the Company is also obligated to pay an annual advance royalty of $6,000 until the commencement of production. As consideration, the Company paid a total of $50,000 and issued a total of 150,000 common shares, of which the last 50,000 common shares were issued on November 1, 2019.

On November 17, 2017, the Company acquired an additional contiguous claim that has been incorporated into the Eastbelt Property. As consideration, the Company paid $5,000 and issued 40,000 common shares at a fair value of $20,000. The Company also incurred additional acquisition costs of $17,166.

On September 25, 2018, the Company acquired additional contiguous claims, the Tom and Sickle claims, that have been incorporated into the Eastbelt Property. As consideration, the Company paid $25,000 and issued 250,000 common shares at a fair value of $95,000. The Company also incurred additional acquisition costs of $132,380. These claims are subject to a 2% NSR.

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

(a) Yellowknife City Gold Project, Northwest Territories (cont'd)

Eastbelt Property **(cont'd)**

On January 30, 2020, the Company announced that it acquired 100% interest in two claims, Aurora 1 and 2 in Yellowknife which are contiguous to the existing properties. The acquisition terms are:

- $10,000 cash paid upon TSX-V acceptance for filing of the agreement (paid);
- 100,000 common shares issued upon TSX-V acceptance for filing of the agreement (issued); and
- A 2% NSR royalty with a buyback of 1% for $1,000,000 and an additional 0.5% buyback for a further $1,000,000.

To March 31, 2023, the Company has incurred total exploration and evaluation expenditures, net of recoveries (see "Midas option agreement on Eastbelt and Quyta-Bell Properties" below), of $1,638,529 (December 31, 2022 - $1,686,044) on the Eastbelt Property.

Quyta-Bell Property

On March 7, 2018, the Company announced that it had expanded its land position at the YCG through the staking of an additional 337.5 square kilometers immediately to the north of its current properties. These additional 47 claims have been named the Quyta-Bell property and have been incorporated into the YCG.

On March 16, 2021, the Company entered into an option agreement to acquire 100% interest in a claim in Yellowknife which is contiguous to the existing properties. The acquisition terms are:

- make cash payments of $15,000 (paid) and issue 40,000 shares upon receipt of TSX-V approval (issued);
- make cash payments of $5,000 (paid) and issue 20,000 shares by April 6, 2022 (issued);
- make cash payments of $5,000 (paid) and issue 20,000 shares by April 6, 2023 (issued); and
- make cash payments of $5,000 and issue 20,000 shares by April 6, 2024;

To March 31, 2023, the Company has incurred total exploration and evaluation expenditures, net of recoveries (see "Midas option agreement on Eastbelt and Quyta-Bell Properties" below), of $533,895 (December 31, 2022 - $491,354) on the Quyta-Bell property.

Midas option agreement on Eastbelt and Quyta-Bell Properties

Subsequent to the quarter-end, on April 4, 2023, the Company signed a non-binding letter of agreement pursuant to which it has granted until May 31, 2023 (extended as permitted), the exclusivity rights to Midas Minerals Ltd. ("Midas") to enter into a definitive option agreement with the Company. The definitive agreement, among other things, will provide that Midas can earn an up to 80% participating interest in two stages for only the critical minerals (pegmatite-hosted lithium, tantalum and tin, lithium-cesium-tantalum (LCT), and rare earths or other rare earth deposits) contained within the Company's Quyta-Bell and Eastbelt Properties. See Note 14(a) for more details.

During the three months ended March 31, 2023, the Company received $100,000 from Midas in option payments as part of the agreement and also received $50,000 to stake properties on behalf of Midas which formed part of the option agreement. During the three month ended March 31, 2023, the Company incurred $40,000 in staking expenditures and the remaining $10,000 is recorded as restricted cash on behalf of Midas to be spent on further staking on the Eastbelt and Quyta-Bell Properties.

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

(b) Con Mine Option Property

On November 22, 2021, the Company announced that it entered into a definitive option agreement (the "Option Agreement") with Newmont Canada FN Holdings ULC ("Newmont FN") and Miramar Northern Mining Ltd. ("MNML"), both wholly owned subsidiaries of Newmont Corporation ("Newmont"), which grants Gold Terra the option, upon meeting certain requirements, to purchase MNML from Newmont FN, which includes 100% of all the assets, mineral leases, Crown mineral claims and surface rights comprising the former Con mine, as well as the areas immediately adjacent to the former Con mine (together known as the "Con Mine Option Property"). The Option Agreement replaced and superseded the initial exploration agreement signed on September 4, 2020. Pursuant to the Option Agreement in order to complete this purchase:

- Gold Terra to incur a minimum of $8,000,000 in exploration expenditures over a period of four years, which will include all exploration expenditures incurred to date under the initial exploration agreement.
- Gold Terra and Newmont agreed that Gold Terra spent approximately $3,200,000 in exploration expenditures to October 31, 2021.
- Gold Terra is also required to:
  - Complete a prefeasibility study ("PFS") with a minimum of 1.5 million ounces in all mineral resource categories;
  - Obtain all necessary regulatory approvals for the purchase and transfer of MNML's assets and liabilities to Gold Terra; and
  - Post a cash bond to reflect the status of the Con mine reclamation plan at the time of closing.
- Upon completion of the above, Gold Terra must make a final cash payment of $8,000,000.

Newmont will retain a 2% NSR on minerals produced from the Con Mine Option Property. The NSR may be reduced by 50% by the Company paying Newmont the sum of $10,000,000, for a period of two years following the announcement of commercial production.

After Gold Terra exercises its option, Newmont will have a period of two years to exercise its back-in right of a 51% participating interest in MNML and the Con Mine Option Property, which can be triggered by Gold Terra delineating a minimum of 5 million ounces of gold in the measured and indicated mineral resource categories supported by a National Instrument 43-101 technical report. To be eligible to exercise the back-in right, Newmont will:

- Reimburse Gold Terra three times the amount of all of the expenditures incurred on the Con Mine Option Property from September 4, 2020;
- Refund to Gold Terra the $8,000,000 cash payment;
- Payment of $30 (U.S.) per ounce of gold for 51% of the total ounces reported in the technical report; and
- Assume 51% of the environmental liability and its share of the posted bond.

If exercised, the back-in right is expected to be completed by a new joint venture led by Newmont. At such time, the 2% NSR would also be eliminated.

To March 31, 2023, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $8,384,818 (December 31, 2022 - $6,946,726) on the Con Mine Option Property.

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

(c) Stewart Property, Newfoundland

The Company acquired 100% interest in the Stewart Property through the completion of the 2010 option agreement (amended in 2012). The Stewart Property is subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000.

(d) Mulligan Property, New Brunswick

On October 21, 2019, the Company acquired a 100% interest in the Mulligan Property through the acquisition of Gold Matter Corporation.

To March 31, 2023, the Company has incurred expenditures including acquisition costs totalling $1,414,060 (December 31, 2022 - $1,417,130) on the Mulligan Property.

(Unaudited; Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd)

The following are details of the Company's exploration and evaluation assets:

	Yellowknife Project (YP)							
	Northbelt	Southbelt	Eastbelt	Quyta-Bell	Con Mine Option	Stewart	Mulligan	Total
Balance at January 31, 2022	$ 32,361,266	$ 578,959	$ 1,640,809	$ 471,451	$ 3,687,053	$ 1	$ 1,373,524	$ 40,113,063
Acquisition costs	17,809	425	39,116	19,903	-	-	6,260	83,513
Exploration costs:								
Assays and drilling	1,962,877	54	-	-	3,196,349	-	45,232	5,204,512
Community	21,075	-	-	-	3,200	-	-	24,275
Consulting (Note 7)	65,993	-	-	-	156,368	-	-	222,361
Environmental	109,898	-	6,119	-	151,427	-	-	267,444
Field expenses	58,452	2,723	-	-	(1,992)	-	-	59,183
	2,218,295	2,777	6,119	-	3,505,352	-	45,232	5,777,775
Recoveries	(57,453)	-	-	-	(245,679)	-	(7,886)	(311,018)
Balance at December 31, 2022	$ 34,539,917	$ 582,161	$ 1,686,044	$ 491,354	$ 6,946,726	$ 1	$ 1,417,130	$ 45,663,333
Acquisition costs	15,453	-	2,485	132,541	-	-	4,130	154,609
Exploration costs:								
Assays and drilling	10,260	-	-	-	1,393,581	-	-	1,403,841
Community	1,350	-	-	-	7,600	-	-	8,950
Consulting	13,400	-	-	-	28,331	-	1,800	43,531
Field expenses	-	-	-	-	8,580	-	-	8,580
	25,010	-	-	-	1,438,092	-	1,800	1,464,902
Option payment (Notes 5 and 13)	-	-	(50,000)	(50,000)	-	-	-	(100,000)
Recoveries	-	-	-	(40,000)	-	-	(9,000)	(49,000)
Balance at March 31, 2023	$ 34,580,380	$ 582,161	$ 1,638,529	$ 533,895	$ 8,384,818	$ 1	$ 1,414,060	$ 47,133,844

(Unaudited; Expressed in Canadian dollars)

6. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

	March 31, 2023	December 31, 2022
Trade payables	$ 338,566	$ 349,750
Due to related parties (Note 8)	34,303	74,052
Accrued liabilities	34,000	35,000
	$ 406,869	$ 458,802

7. RELATED PARTY TRANSACTIONS

Related Party Balances

As at March 31, 2023, $34,303 (December 31, 2022 - $74,052) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (see table below). These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

Key Management Compensation

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company and the payments to companies controlled by officers of the Company as defined above were as follows:

	Amounts Incurred During		Due to Related Parties	
	Three months ended		As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	December 31, 2022
Directors' fees	$ 23,750	$ 14,250	$ 23,750	$ 48,353
Geological consulting - exploration and evaluation assets	-	32,688	-	3,673
Management compensation	90,000	135,000	-	-
Management expense reimbursement	-	-	-	854
Professional fees [(a)]	30,000	30,000	10,553	21,172
Share-based payments	10,363	21,369	-	-
	$ 154,113	$ 233,307	$ 34,303	$ 74,052

During the three months ended March 31, 2023:

[(a)] The Company incurred $30,000 (2022 - $30,000) to a company controlled by the Chief Financial Officer of the Company.

8. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued share capital

Fiscal 2022:

a) On February 28, 2022, the Company completed a bought deal financing (the "Offering"), including the exercise in full of the underwriters' over-allotment option. Pursuant to the Offering, (i) 8,912,500 charitable flow-through common shares (the "Charitable FT Shares") were issued at a price of $0.30 per Charitable FT Share, (ii) 8,046,700 traditional flow-through common shares (the "Traditional FT Shares") were issued at a price of $0.24 per Traditional FT Share, and (iii) 4,761,966 common shares (the "Common Shares") were issued at a price of $0.21 per Common Share, for aggregate gross proceeds of $5,604,970. The Offering was made through a syndicate of underwriters led by Stifel GMP and including BMO Capital Markets and Beacon Securities Limited (collectively, the "Underwriters"). The Underwriters received a cash commission of $392,348. Share issuance costs of $331,115 were incurred with respect to this Offering.

b) The Company issued 60,000 common shares with a fair value of $13,800 towards consideration for the acquisition of exploration and evaluation assets (Note 5(a)).

c) On November 21, 2022, the Company completed a non-brokered private placement by issuing 12,055,585 flow-through shares ("FT Shares") at a price of $0.20 per FT Share for gross proceeds of $2,411,117. The Company also completed a non-brokered private placement by issuing 8,572,500 shares ("Shares") at a price of $0.16 per Share for the gross proceeds of $1,371,600. In connection with the financing, the Company paid $144,872 as a cash finder's fee. Share issuance costs of $42,672 were incurred with respect to this private placement.

Fiscal 2023:

a) The Company issued 20,000 common shares with a fair value of $2,800 towards consideration for the acquisition of exploration and evaluation assets (Note 5(a)).

Stock options

The Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer cannot exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities cannot exceed 2% of the issued and outstanding common shares.

Stock option transactions and the number of stock options for the three months ended March 31, 2023 are summarized as follows:

(Unaudited; Expressed in Canadian dollars)

8. SHARE CAPITAL (cont'd)

Stock options (cont'd)

Expiry date	Exercise price ($)	January 31, 2022	Issued	Expired / cancelled	December 31, 2022	Issued	Expired / cancelled	March 31, 2023
December 30, 2024	0.30	2,510,000	-	(400,000)	2,110,000	-	-	2,110,000
April 14, 2025	0.30	400,000	-	-	400,000	-	-	400,000
August 11, 2025	0.435	1,125,000	-	-	1,125,000	-	-	1,125,000
December 11, 2025	0.35	1,231,250	-	-	1,231,250	-	-	1,231,250
December 18, 2025	0.35	200,000	-	-	200,000	-	-	200,000
August 16, 2026	0.26	200,000	-	-	200,000	-	-	200,000
December 31, 2026	0.26	993,750	-	-	993,750	-	-	993,750
June 10, 2027	0.24	-	943,750	(100,000)	843,750	-	-	843,750
December 30, 2027	0.20	-	1,000,000	-	1,000,000	-	-	1,000,000
Options outstanding		6,660,000	1,943,750	(500,000)	8,103,750	-	-	8,103,750
Options exercisable		4,088,125	-	-	5,874,063	-	-	5,924,063
Weighted average exercise price ($)		$ 0.33	$ 0.22	$ 0.29	$ 0.30	$Nil	$Nil	$ 0.30

As at March 31, 2023, the weighted average remaining life of options outstanding was 2.93 years.

Three months ended March 31, 2023:

The Company recorded $39,704 of share-based compensation expense during the three months ended March 31, 2023, where $39,704 was granted in previous periods but vested during the three months ended March 31, 2023.

Year ended December 31, 2022:

On June 10, 2022, the Company granted 943,750 stock options to officers, employees, and consultants that can be exercised at $0.24 per share until June 10, 2027. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $84,516 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.43% and an expected volatility of 58.81%.

On December 30, 2022, the Company granted 1,000,000 stock options to officers, employees, and consultants that can be exercised at $0.20 per share until December 30, 2027. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $73,720 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.61% and an expected volatility of 59.88%.

The Company recorded $208,654 of share-based compensation expense during the year ended December 31, 2022, where $161,744 was granted in previous periods but vested during the year ended December 31, 2022.

9. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as share-based payments until such time that the stock options and finder's warrants are issued, granted and exercised, at which time the corresponding amount will be transferred to share capital.

10. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables are mostly tax receivables from the government. The risk related to receivables is assessed low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

Foreign exchange risk
Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at March 31, 2023 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital management
The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Fair value
The Company classifies its financial instruments into categories as follows: cash and receivables as financial assets at amortized cost; and trade payables as financial liabilities at amortized cost. The fair value of the Company's financial assets and liabilities approximates their carrying amount.

(Unaudited; Expressed in Canadian dollars)

10. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

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:

- Level 1 – unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

Cash and cash equivalents are classified as level 1.

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended March 31, 2023 and 2022, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Three months ended March 31	
	2023	2022
Exploration expenditures included in trade payables and accrued liabilities	$ 293,958	$ 1,739,866
Fair value of shares issued for mineral property acquisition	$ 2,800	$ 13,800
Share issuance costs included in trade payables and accrued liabilities	$ -	$ 184,461

12. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	March 31, 2023	December 31, 2022
Balance, beginning of period	$ 444,860	$ 36,738
Deferred premium on flow-through shares issued	-	1,525,749
Flow-through share premium reversal	(293,264)	(1,117,627)
Balance, end of period	$ 151,596	$ 444,860

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended December 31, 2022, the Company received $7,016,075 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $1,525,749. The Company incurred and renounced eligible expenditures of $4,912,006 during the year ended December 31, 2022, and another $1,466,322 during the three months ended March 31, 2023. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at March 31, 2023, the Company had a remaining qualifying expenditure commitment of $757,983 from the proceeds of flow-through shares issued on November 21, 2022 that must be spent on eligible exploration expenditures prior to December 31, 2023.

(Unaudited; Expressed in Canadian dollars)

13. INCOME TAX

A reconciliation of the expected income tax recovery to the actual income tax expense is as follows:

	Three Months Ended March 31 2023	2022
Loss for the period before income taxes	$ (207,344)	$ (202,982)
Statutory tax rate	27.00%	27.00%
Expected income tax recovery	(55,982)	(54,805)
Non-deductible items	18,256	15,929
Impact of flow-through shares	316,726	360,235
True up	-	(128,577)
Impact of share issuance costs not recognized	-	(192,782)
Deferred income tax expense	$ 279,000	$ -

The Company has the following tax effected taxable and deductible temporary differences for which a deferred tax liability has been recognized:

	Three Months Ended March 31, 2023	Year Ended December 31, 2022
Exploration and evaluation assets	$ (6,192,000)	$ (5,796,000)
Loss carry-forwards	5,084,000	4,934,000
Equipment	62,000	61,000
Share issuance costs	300,000	334,000
Valuation allowance	(77,000)	(77,000)
Deferred income tax liability	$ (823,000)	$ (544,000)

14. SUBSEQUENT EVENTS

a) Under the letter agreement with Midas signed on April 4, 2023 (Note 5(a)), to earn a 51% participating interest, over a period that ends on September 30, 2026, Midas must pay to the Company the sum of $1,200,000 in cash, must deliver to the Company 2,200,000 common shares of Midas, must incur exploration expenditures of $5,000,000 and must grant the Company a 1% gross revenue royalty ("GRR") on the basis of 100% production of critical minerals. Midas may purchase one-half of the 1% GRR (in whole but not in part) for the sum of $5,000,000. Out of the foregoing earn-in requirements, Midas is committed to pay $100,000 in cash (paid), issue 2,200,000 Midas common shares, and must incur exploration expenditures of $250,000 on or before September 30, 2023, with the rest of the earn-in requirements being optional.

   If Midas exercises the option to earn a 51% participating interest, then Midas can elect to earn an additional 29% participating interest by incurring by no later than September 30, 2028, an additional $5,000,000 in exploration expenditures. If Midas does not elect to earn the additional 29% participating interest (after having earned the 51% participating interest), then Midas must transfer a 2% participating interest to Gold Terra so that the participating interests between Gold Terra and Midas will be 51%/49%.

   Gold Terra and Midas will form a critical mineral joint venture upon the exercise by Midas of the first option (to acquire the 51% participating interest).

   If Midas earns the 80% participating interest, the interest of Gold Terra in the critical mineral joint venture will be fully carried until the critical mineral joint venture has approved a bankable feasibility study for the development of a critical mineral project on any part of the Quyta-Bell and Eastbelt Properties.

   The execution and delivery of the definitive agreement are subject to standard conditions precedent, including, without limitation, the receipt by Gold Terra and Midas of all requisite regulatory and stock exchange approvals and third party consents, approvals and waivers. Additionally, the definitive agreement, the joint venture agreement and the gross revenue royalty agreement must be negotiated by the parties, and must be mutually acceptable to Gold Terra and Midas.

b) On May 19, 2023, the Company entered into an agreement with Paradigm Capital Inc., as lead agent and on behalf of a syndicate of agents to be formed, under which the agents have agreed to sell on a "best efforts" basis, a combination of common shares (the "Common Shares") and flow-through common shares (the "Flow-Through Common Shares") to provide the Company with gross proceeds of up to approximately $4 million (the "Offering"). Up to 15,000,000 Common Shares will be offered at a price of $0.10 per share and up to 21,800,000 Flow-Through Common Shares will be offered at a price of $0.115 per share. The Company will grant to the agents an option, exercisable at the offering price for a period of 30 days following the closing of the Offering, to sell Common Shares and/or FT Shares equal to up to an additional 15% of the Offering to cover over-allotments, if any, for up to an additional $601,050. The Offering is expected to close on or about May 26, 2023 and is subject to Gold Terra receiving all necessary regulatory approvals, including the acceptance of the TSX-V.

   On May 26, 2023, the Company closed its Offering for aggregate gross proceeds of $4,608,050 from the sale of 17,110,000 Common Shares at a price of $0.10 per share and 25,191,739 Flow-Through Common Shares at a price of $0.115 per share (including the full exercise of the over-allotment option). The agents received a cash commission equal to 6% of the gross proceeds of the Offering.