



**GOLD TERRA RESOURCE CORP.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited)**

**June 30, 2024**

**(Expressed in Canadian Dollars)**

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

	Note	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 916,005	\$ 1,095,359
GST/HST receivables		70,437	77,696
Prepays and deposits		137,427	106,371
Marketable securities	4	-	277,231
		<u>1,123,869</u>	<u>1,556,657</u>
<b>Non-current</b>			
Equipment	3	3,483	5,356
Reclamation deposits	5	152,540	152,540
Exploration and evaluation assets	6	50,701,971	49,149,917
		<u>50,857,994</u>	<u>49,307,813</u>
		<u>\$ 51,981,863</u>	<u>\$ 50,864,470</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade payables and accrued liabilities	7, 8	\$ 278,411	\$ 568,505
Deferred premium on flow-through shares	13	-	130,272
		<u>278,411</u>	<u>698,777</u>
<b>Non-current</b>			
Deferred income tax liability	14	800,771	785,900
		<u>800,771</u>	<u>785,900</u>
		<u>1,079,182</u>	<u>1,484,677</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	70,183,526	67,730,582
Share-based payment reserve	9, 10	4,737,864	4,686,109
Deficit		(24,018,709)	(23,036,898)
		<u>50,902,681</u>	<u>49,379,793</u>
		<u>\$ 51,981,863</u>	<u>\$ 50,864,470</u>

**Nature and continuance of operations** (Note 1)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 26, 2024.

They are signed on the Company's behalf by:

***"Gerald Panneton"***

\_\_\_\_\_  
Gerald Panneton, Chairman and  
Chief Executive Officer

***"Patsie Ducharme"***

\_\_\_\_\_  
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 June 30		Six months ended June 30	
		2024	2023	2024	2023
<b>EXPENSES</b>					
Amortization	3	\$ 921	\$ 1,565	\$ 1,873	\$ 3,130
Consulting		5,120	26,796	5,995	39,396
Directors' fees	8	18,750	23,750	30,500	47,500
Management compensation	8	90,000	90,000	180,000	180,000
Office, rent and miscellaneous		17,166	14,293	40,058	32,118
Professional fees	8	91,642	135,205	142,523	192,901
Salaries and benefits		10,251	61,738	37,198	128,719
Share-based payments	8, 9	24,063	38,563	51,755	78,267
Transfer agent, filing fees and shareholder communications		238,064	205,536	340,114	341,675
Travel and related costs		82,726	61,428	107,673	115,776
		<u>(578,703)</u>	<u>(658,874)</u>	<u>(937,689)</u>	<u>(1,159,482)</u>
<b>OTHER ITEMS</b>					
Fair value loss on marketable securities	4	-	(7,411)	(127,939)	(7,411)
Loss on sale of marketable securities	4	(31,584)	-	(31,584)	-
Other income		-	12,731	-	12,731
Flow-through share premium reversal	13	35,718	194,554	130,272	487,818
		<u>(574,569)</u>	<u>(459,000)</u>	<u>(966,940)</u>	<u>(666,344)</u>
<b>LOSS BEFORE INCOME TAXES</b>					
Deferred income tax expense	14	83,129	(39,170)	(14,871)	(318,170)
		<u>(491,440)</u>	<u>(498,170)</u>	<u>(981,811)</u>	<u>(984,514)</u>
<b>NET AND COMPREHENSIVE LOSS FOR THE PERIOD</b>					
<b>Loss per share - basic and diluted</b>		<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>					
		<u>320,782,704</u>	<u>255,170,645</u>	<u>300,992,594</u>	<u>242,942,117</u>

The accompanying notes are an integral part of these 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	Share-based payment reserve	Deficit	Total shareholders' equity
<b>Balance at December 31, 2022 (audited)</b>		<b>238,880,745</b>	<b>\$ 63,935,469</b>	<b>\$ 4,551,452</b>	<b>\$ (20,793,755)</b>	<b>\$ 47,693,166</b>
Loss for the period		-	-	-	(984,514)	(984,514)
Shares issued on financing	9	42,301,739	4,608,050	-	-	4,608,050
Share issuance costs	9	-	(582,120)	-	-	(582,120)
Tax effect on share issuance costs	9	-	157,170	-	-	157,170
Shares issued to acquire property	9	20,000	2,800	-	-	2,800
Flow-through share premium		-	(377,876)	-	-	(377,876)
Share-based payments	9	-	-	78,267	-	78,267
<b>Balance at June 30, 2023 (unaudited)</b>		<b>281,202,484</b>	<b>67,743,493</b>	<b>4,629,719</b>	<b>(21,778,269)</b>	<b>50,594,943</b>
Loss for the period		-	-	-	(1,258,629)	(1,258,629)
Share issuance costs	9	-	(12,911)	-	-	(12,911)
Share-based payments	9	-	-	56,390	-	56,390
<b>Balance at December 31, 2023 (audited)</b>		<b>281,202,484</b>	<b>67,730,582</b>	<b>4,686,109</b>	<b>(23,036,898)</b>	<b>49,379,793</b>
Loss for the period		-	-	-	(981,811)	(981,811)
Shares issued on financing	9	50,000,000	2,500,000	-	-	2,500,000
Share issuance costs	9	-	(48,256)	-	-	(48,256)
Shares issued to acquire property	9	20,000	1,200	-	-	1,200
Share-based payments	9	-	-	51,755	-	51,755
<b>Balance at June 30, 2024 (unaudited)</b>		<b>331,222,484</b>	<b>\$ 70,183,526</b>	<b>\$ 4,737,864</b>	<b>\$ (24,018,709)</b>	<b>\$ 50,902,681</b>

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)

	Six months ended June 30	
	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss	\$ (981,811)	\$ (984,514)
Items not involving cash:		
Deferred income tax expense	14,871	318,170
Amortization	1,873	3,130
Share-based payments	51,755	78,267
Flow-through premium reversal	(130,272)	(487,818)
Fair value loss on marketable securities	127,939	7,411
Loss on sale of marketable securities	31,584	-
Changes in non-cash working capital items:		
Receivables	7,259	(68,047)
Prepays and deposits	(31,056)	(22,816)
Trade payables and accrued liabilities	14,553	217,707
Net cash used in operating activities	<u>(893,305)</u>	<u>(938,510)</u>
<b>Investing activities</b>		
Expenditures on exploration and evaluation assets	(1,855,501)	(2,008,163)
Purchase of equipment	-	(4,549)
Proceeds from the sale of marketable securities	117,708	-
Net cash used in investing activities	<u>(1,737,793)</u>	<u>(2,012,712)</u>
<b>Financing activities</b>		
Issuance of common shares, net of share issuance costs	2,451,744	4,232,512
Net cash provided by financing activities	<u>2,451,744</u>	<u>4,232,512</u>
<b>Change in cash</b>	(179,354)	1,281,290
<b>Cash - beginning of period</b>	<u>1,095,359</u>	<u>3,060,107</u>
<b>Cash - end of period</b>	<u>\$ 916,005</u>	<u>\$ 4,341,397</u>

**Supplemental cash flow information** (Note 12)

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 trades on the TSX Venture Exchange (“TSX-V”) under the symbol “YGT” and OTCQB 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 June 30, 2024, 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. MATERIAL 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.

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

***Material 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, 2023.

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, 2023. 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 six-month period ended June 30, 2024 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 six months ended June 30, 2024.

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**

<b>Cost</b>		
Balance, January 1, 2023	\$	226,367
Acquisitions		4,549
Balance, December 31, 2023		230,916
Acquisitions		-
Balance, June 30, 2024	\$	230,916
<b>Accumulated amortization</b>		
Balance, January 1, 2023	\$	219,300
Amortization		6,260
Balance, December 31, 2023		225,560
Amortization		1,873
Balance, June 30, 2024	\$	227,433
<b>Net book value, December 31, 2023</b>	<b>\$</b>	<b>5,356</b>
<b>Net book value, June 30, 2024</b>	<b>\$</b>	<b>3,483</b>

**GOLD TERRA RESOURCE CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited; Expressed in Canadian dollars)  
Six months ended June 30, 2024 and 2023

**4. MARKETABLE SECURITIES**

On June 26, 2023, the Company received 2,200,000 shares of Midas Minerals Ltd. (“Midas”) pursuant to a definitive agreement signed on May 31, 2023 (Note 6a). The shares are measured and presented at fair value using the observable market share price as at the date of the statements of financial position. The gain or loss as a result of the re-measurement is recorded through profit and loss (“FVTPL”). On June 17, 2024 all the shares were sold out with a loss on sale of \$31,584.

June 30, 2024	Number of Shares	Cost	Fair Value
Midas Minerals Ltd.	-	\$ -	\$ -

December 31, 2023	Number of Shares	Cost	Fair Value
Midas Minerals Ltd.	2,200,000	\$ 647,307	\$ 277,231

	Six months ended June 30	
	2024	2023
Net changes in fair value on marketable securities through profit and loss:		
Beginning of the period	\$ 277,231	\$ -
Acquisition on June 26, 2023	-	647,307
Change in unrealized (loss)	(127,939)	(7,411)
Proceeds from sale on June 17, 2024	(117,708)	
Loss on sale on June 17, 2024	(31,584)	-
Fair Value at the end of the period	\$ -	\$ 639,896

**5. RECLAMATION DEPOSITS**

As of June 30, 2024, security deposits of \$152,540 (December 31, 2023 - \$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.

**6. EXPLORATION AND EVALUATION ASSETS**

**(a) Yellowknife City Gold Project, Northwest Territories**

The Yellowknife project (“YP”) 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 YP by making a payment of \$4,000,000 within three months following commencement of production.



**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

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

***Northbelt Property***

The Company owns 100% of the mineral lease and claims in the Northbelt Property. On certain leases and claims, the Company is obligated to pay an annual advance royalty of \$20,000 until the commencement of production.

To June 30, 2024, the Company has incurred exploration and evaluation expenditures, net of recoveries, totalling \$34,678,042 (December 31, 2023 - \$34,654,579) on the Northbelt Property.

***Southbelt Property***

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

To June 30, 2024, the Company has incurred exploration and evaluation expenditures totalling \$586,891 (December 31, 2023 - \$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 YP.

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.

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.

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 June 30, 2024, the Company has incurred total exploration and evaluation expenditures, net of recoveries (see "Midas option agreement on Eastbelt and Quytta-Bell Properties" below), of \$1,291,125 (December 31, 2023 - \$1,289,929) on the Eastbelt Property.

**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

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

***Quyta-Bell Property***

On March 7, 2018, the Company expanded its land position at the YP 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 YP.

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) at a fair value of \$9,200;
- make cash payments of \$5,000 (paid) and issue 20,000 shares by April 6, 2022 (issued) at a fair value of \$4,600;
- make cash payments of \$5,000 (paid) and issue 20,000 shares by April 6, 2023 (issued) at a fair value of \$2,800 (Note 9); and
- make cash payments of \$5,000 (paid) and issue 20,000 shares by April 6, 2024 (issued) at a fair value of \$1,200.

To June 30, 2024, the Company has incurred total exploration and evaluation expenditures, net of recoveries (see "Midas option agreement on Eastbelt and Quyta-Bell Properties" below), of \$192,557 (December 31, 2023 - \$185,241) on the Quyta-Bell property.

***Midas option agreement on Eastbelt and Quyta-Bell Properties***

On May 31, 2023, the Company signed a definitive agreement to provide, among other things, where Midas can earn an up to an 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. To earn an initial 51% interest, Midas must pay to the Company the sum of \$1,200,000 in cash (\$150,000 paid to-date including the committed \$100,000), 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 (issued – see Note 4), and must incur exploration expenditures of \$250,000 on or before September 30, 2023 (met) 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.

**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

**(a) Yellowknife Project, Northwest Territories (cont'd)**

***Midas option agreement on Eastbelt and Quyta-Bell Properties (cont'd)***

During the year ended December 31, 2023, the Company received \$150,000 from Midas in option payments as part of the agreement and also received \$100,000 to stake properties on behalf of Midas which formed part of the option agreement. During the year ended December 31, 2023, the Company incurred \$86,978 in staking expenditures and the remaining \$13,022 is recorded in trade payables and accrued liabilities to be spent on further staking on the Eastbelt and Quyta-Bell Properties.

On April 5, 2024, Midas terminated the option arrangement.

**(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.

**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

**(b) Con Mine Option Property (cont'd)**

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 June 30, 2024, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of \$12,430,106 (December 31, 2023 - \$10,893,438) on the Con Mine Option Property.

**(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 June 30, 2024, the Company has incurred expenditures including acquisition costs totalling \$1,523,250 (December 31, 2023 - \$1,544,568) on the Mulligan Property.

**GOLD TERRA RESOURCE CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited; Expressed in Canadian dollars)  
Six months ended June 30, 2024 and 2023

**6. EXPLORATION AND EVALUATION ASSETS (cont'd)**

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

	Yellowknife Project (YP)				Con Mine Option	Stewart	Mulligan	Total
	Northbelt	Southbelt	Eastbelt	Quyta-Bell				
Balance at January 1, 2023	\$ 34,539,917	\$ 582,161	\$ 1,686,044	\$ 491,354	\$ 6,946,726	\$ 1	\$ 1,417,130	\$ 45,663,333
Acquisition costs	62,105	-	2,539	179,519	-	-	4,130	248,293
Exploration costs:								
Assays and drilling	21,148	-	-	-	3,586,919	-	-	3,608,067
Community	1,350	-	-	-	51,900	-	-	53,250
Consulting	30,018	-	-	-	42,524	-	23,315	95,857
Environmental	-	-	-	-	232,561	-	-	232,561
Field expenses	41	-	-	-	52,608	-	-	52,649
Geochemical survey	-	-	-	-	-	-	122,993	122,993
	52,557	-	-	-	3,966,512	-	146,308	4,165,377
Option payment	-	-	(398,654)	(398,654)	-	-	-	(797,308)
Recoveries	-	-	-	(86,978)	(19,800)	-	(23,000)	(129,778)
Balance at December 31, 2023	34,654,579	582,161	1,289,929	185,241	10,893,438	1	1,544,568	49,149,917
Acquisition costs	1,137	4,730	1,196	7,316	-	-	10,420	24,799
Exploration costs:								
Assays and drilling	17,563	-	-	-	1,408,267	-	824	1,426,654
Community	1,900	-	-	-	6,200	-	-	8,100
Consulting	2,863	-	-	-	9,285	-	6,123	18,271
Environmental	-	-	-	-	50,401	-	-	50,401
Field expenses	-	-	-	-	62,514	-	315	62,829
	22,326	-	-	-	1,536,667	-	7,262	1,566,255
Recoveries	-	-	-	-	-	-	(39,000)	(39,000)
Balance at June 30, 2024	\$ 34,678,042	\$ 586,891	\$ 1,291,125	\$ 192,557	\$ 12,430,105	\$ 1	\$ 1,523,250	\$ 50,701,971

**7. TRADE PAYABLES AND ACCRUED LIABILITIES**

Trade payables and accrued liabilities consist of the following:

	June 30, 2024	December 31, 2023
Trade payables	\$ 222,063	\$ 514,629
Due to related parties (Note 8)	29,849	27,376
Accrued liabilities	26,500	26,500
	<b>\$ 278,411</b>	<b>\$ 568,505</b>

**8. RELATED PARTY TRANSACTIONS**

**Related Party Balances**

As at June 30, 2024, \$29,849 (December 31, 2023 - \$27,376) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (Note 7) (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	
	Six months ended June 30, 2024	June 30, 2023	As at June 30, 2024	As at December 31, 2023
Directors' fees	\$ 30,500	\$ 47,500	\$ 17,892	\$ 10,531
Management compensation	180,000	180,000	-	-
Management expense reimbursement	-	-	1,457	3,785
Expense reimbursement to a company owned by a Director	-	-	-	2,560
Professional fees <sup>(a)</sup>	60,000	80,000	10,500	10,500
Share-based payments	16,410	20,333	-	-
	<b>\$ 286,910</b>	<b>\$ 327,833</b>	<b>\$ 29,849</b>	<b>\$ 27,376</b>

During the six months ended June 30, 2024:

<sup>(a)</sup> The Company incurred \$60,000 (2023 - \$80,000) to a company controlled by the Chief Financial Officer of the Company.

## 9. SHARE CAPITAL

### *Authorized share capital*

Unlimited number of voting common shares without par value.

### *Issued share capital*

#### **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 6(a)).
- b) On May 26, 2023, the Company closed a public offering (the "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 ("FT Shares") at a price of \$0.115 per share. The Offering was made through a syndicate of agents led by Paradigm Capital Inc. and including Agentis Capital Markets Limited Partnership (collectively, the "Agents"). The Agents received a cash commission of \$276,483. Share issuance costs of \$318,548 were incurred with respect to this Offering.

#### **Fiscal 2024:**

On April 1, 2024, the Company issued 20,000 common shares with a fair value of \$1,200 towards consideration for the acquisition of exploration and evaluation assets (Note 6(a)).

On April 19, 2024, the Company closed a non-brokered private placement (the "Offering") consisting of 50 million common shares of the Company (the "Shares") at a price of \$0.05 per Share for gross proceeds of \$2.5 million. The Offering was non-brokered with no warrants and the Company paid \$33,120 cash as finder's fee to eligible parties in accordance with applicable securities laws and TSX-V policies. Share issuance costs of \$15,136 were incurred with respect to this Offering.

### *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.

**GOLD TERRA RESOURCE CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited; Expressed in Canadian dollars)  
Six months ended June 30, 2024 and 2023

**9. SHARE CAPITAL (cont'd)**

***Stock options (cont'd)***

Stock option transactions and the number of stock options for the six months ended June 30, 2024 are summarized as follows:

<b>Expiry date</b>	<b>Exercise price (\$)</b>	<b>December 31, 2022</b>	<b>Issued</b>	<b>Expired / cancelled</b>	<b>December 31, 2023</b>	<b>Issued</b>	<b>Expired / cancelled</b>	<b>June 30, 2024</b>						
December 30, 2024	0.30	2,110,000	-	(310,000)	1,800,000	-	-	1,800,000						
April 14, 2025	0.30	400,000	-	-	400,000	-	-	400,000						
August 11, 2025	0.435	1,125,000	-	(350,000)	775,000	-	-	775,000						
December 11, 2025	0.35	1,231,250	-	(87,500)	1,143,750	-	(50,000)	1,093,750						
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	-	(62,500)	931,250	-	(50,000)	881,250						
June 10, 2027	0.24	843,750	-	(162,500)	681,250	-	(25,000)	656,250						
December 30, 2027	0.20	1,000,000	-	(50,000)	950,000	-	(25,000)	925,000						
August 22, 2028	0.10	-	1,225,000	(25,000)	1,200,000	-	(50,000)	1,150,000						
January 2, 2029	0.10	-	-	-	-	1,200,000	-	1,200,000						
<b>Options outstanding</b>		<b>8,103,750</b>	<b>1,225,000</b>	<b>(1,047,500)</b>	<b>8,281,250</b>	<b>1,200,000</b>	<b>(200,000)</b>	<b>9,281,250</b>						
<b>Options exercisable</b>		<b>5,874,063</b>	<b>-</b>	<b>-</b>	<b>6,435,938</b>	<b>-</b>	<b>-</b>	<b>6,987,500</b>						
exercise price (\$)	\$	0.30	\$	0.10	\$	0.33	\$	0.27	\$	0.10	\$	0.23	\$	0.25

As at June 30, 2024, the weighted average remaining life of options outstanding was 2.33 years.

**Six months ended June 30, 2024:**

On January 2, 2024, the Company granted stock options to its directors, officers, employees and consultants to purchase up to an aggregate 1,200,000 common shares. The options are exercisable at a price of \$0.10 per share for a period of five years and are subject to the policies of the TSX-V and the Company's stock option plan which includes a vesting period beginning six months after issue for 25% of the options, and 25% every six months following. The fair value of \$40,475 was estimated using Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free rate of 3.24% and an expected volatility of 143.97%.

The Company recorded \$51,755 of share-based compensation expense during the six months ended June 30, 2024, where \$30,950 was granted in previous periods but vested during the six months ended June 30, 2024.

**Year ended December 31, 2023:**

On August 22, 2023, the Company granted 1,225,000 stock options to officers, employees, and consultants that can be exercised at \$0.10 per share until August 22, 2028. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of \$45,584 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 1.77% and an expected volatility of 60.2%.

The Company recorded \$134,657 of share-based compensation expense during the year ended December 31, 2023, where \$117,708 was granted in previous periods but vested during the year ended December 31, 2023.



## **10. 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.

## **11. 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 June 30, 2024 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, marketable securities at FVTPL; and trade payables as financial liabilities at amortized cost. The fair value of the Company's financial assets and liabilities approximates their carrying amount.

**11. 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 marketable securities are classified as level 1.

**12. SUPPLEMENTAL CASH FLOW INFORMATION**

During the six months ended June 30, 2024 and 2023, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Six months ended June 30	
	2024	2023
Exploration expenditures included in trade payables and accrued liabilities	\$ 158,432	\$ 830,416
Fair value of shares issued for mineral property acquisition	\$ 1,200	\$ 2,800
Share issuance costs included in trade payables and accrued liabilities	\$ -	\$ (212,364)

**13. DEFERRED PREMIUM ON FLOW-THROUGH SHARES**

	June 30, 2024	December 31, 2023
Balance, beginning of period	\$ 130,272	\$ 444,860
Deferred premium on flow-through shares issued	-	377,876
Flow-through share premium reversal	(130,272)	(692,464)
Balance, end of period	\$ -	\$ 130,272

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, 2023, the Company received \$2,897,050 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of \$377,876. The Company incurred and renounced eligible expenditures of \$1,898,286 during the year ended December 31, 2023, and another \$998,764 during the six months ended June 30, 2024. 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 June 30, 2024, the Company had \$Nil qualifying expenditure commitment from the proceeds of flow-through shares issued on May 26, 2023.

**GOLD TERRA RESOURCE CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited; Expressed in Canadian dollars)  
Six months ended June 30, 2024 and 2023

**14. INCOME TAX**

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

	<b>Six Months Ended June 30</b>	
	<b>2024</b>	<b>2023</b>
Loss for the period before income taxes	\$ (966,940)	\$ (666,344)
Statutory tax rate	27.00%	27.00%
Expected income tax recovery	(261,074)	(179,913)
Non-deductible items	21,720	36,913
Impact of flow-through shares	234,222	557,772
True up	59,003	(97,602)
Change in valuation allowance	(39,000)	1,000
Deferred income tax expense	\$ 14,871	\$ 318,170

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

	<b>Six Months Ended</b>	<b>Year Ended</b>
	<b>June 30,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
Exploration and evaluation assets	\$ (7,067,000)	\$ (6,837,000)
Loss carry-forwards	6,040,229	5,743,600
Equipment	63,000	63,000
Share issuance costs	202,000	322,500
Valuation allowance	(39,000)	(78,000)
Deferred income tax liability	\$ (800,771)	\$ (785,900)