



# **KLONDIKE GOLD CORP.**

## **Condensed Interim Financial Statements**

**Three Months Ended May 31, 2024 and 2023  
(Expressed in Canadian Dollars)  
(Unaudited)**

### **NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim financial statements of Klondike Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of the condensed interim financial statements.

# KLONDIKE GOLD CORP.

## CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (Expressed in Canadian dollars) (Unaudited)

	May 31, 2024	February 29, 2024
<b>Assets</b>		
Current assets		
Cash	\$ 1,426,912	\$ 1,009,695
Restricted cash (Note 4)	69,000	69,000
Amounts receivable	21,783	31,016
Prepaid expenses and deposits	45,583	26,129
<b>Total current assets</b>	<b>1,563,278</b>	<b>1,135,840</b>
Reclamation bond	3,500	3,500
Property and equipment (Note 5)	258,703	294,260
Exploration and evaluation assets (Note 6)	30,636,417	30,210,144
<b>Total assets</b>	<b>\$ 32,461,898</b>	<b>\$ 31,643,744</b>
<b>Liabilities</b>		
Current liabilities		
Trade and other payables (Note 8)	\$ 256,155	\$ 134,478
Lease liability (Note 7)	121,316	160,460
Flow-through premium (Note 9)	29,542	86,254
<b>Total current liabilities</b>	<b>407,013</b>	<b>381,192</b>
<b>Equity</b>		
Share capital (Note 9)	89,658,851	88,721,016
Reserves (Note 9)	7,165,211	7,162,772
Deficit	(64,769,177)	(64,621,236)
<b>Total equity</b>	<b>32,054,885</b>	<b>31,262,552</b>
<b>Total liabilities and equity</b>	<b>\$ 32,461,898</b>	<b>\$ 31,643,744</b>

Nature of operations and going concern (Note 1)

Approved by the Board of Directors:

\_\_\_\_\_/s/ Peter Tallman Director

\_\_\_\_\_/s/ Gordon Keep Director

*The accompanying notes are an integral part of these financial statements*

# KLONDIKE GOLD CORP.

## CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Expressed in Canadian dollars) (Unaudited)

	Three months ended	
	2024	May 31, 2023
<b>Expenses</b>		
Consulting (Note 8)	\$ 49,982	\$ 55,157
Depreciation (Note 5)	35,557	35,557
Management fees and wages (Note 8)	49,858	161,755
Marketing	36,914	90,468
Office and miscellaneous	3,985	2,898
Professional fees	13,690	22,250
Regulatory and transfer agent	18,111	14,123
Travel	9,375	-
	(217,470)	(382,208)
Finance expense (Note 7)	(2,396)	(4,818)
Interest income	15,213	9,745
Other income - flow-through (Note 9)	56,712	11,368
Unrealized gain (loss) on marketable securities	-	(2,250)
<b>Loss and comprehensive loss</b>	(147,941)	(368,163)
<b>Basic and diluted loss per common share</b>	\$ (0.00)	\$ (0.00)
<b>Weighted average number of common shares outstanding - basic and diluted</b>	193,604,295	165,079,446

*The accompanying notes are an integral part of these financial statements*

# KLONDIKE GOLD CORP.

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (Expressed in Canadian dollars) (Unaudited)

	Shares issued	Share capital	Reserves			Total equity
			Share premium	Share-based payments	Deficit	
<b>At February 28, 2023</b>	156,520,042	\$ 85,571,442	\$ 27,405	\$ 7,083,780	\$ (63,775,279)	\$ 28,907,348
Private placement	9,543,858	1,002,105	-	-	-	1,002,105
Private placement - flow-through	14,059,348	1,616,825	-	-	-	1,616,825
Flow-through premium	-	(140,593)	-	-	-	(140,593)
Share issuance costs	-	(206,238)	-	44,100	-	(162,138)
Loss and comprehensive loss	-	-	-	-	(368,163)	(368,163)
<b>At May 31, 2023</b>	180,123,248	\$ 87,843,541	\$ 27,405	\$ 7,127,880	\$ (64,143,442)	\$ 30,855,384
<b>At February 29, 2024</b>	191,944,916	\$ 88,721,016	\$ 27,405	\$ 7,135,367	\$ (64,621,236)	\$ 31,262,552
Private placement	10,785,965	970,737	-	-	-	970,737
Share issuance costs	-	(32,902)	-	2,439	-	(30,463)
Loss and comprehensive loss	-	-	-	-	(147,941)	(147,941)
<b>At May 31, 2024</b>	202,730,881	\$ 89,658,851	\$ 27,405	\$ 7,137,806	\$ (64,769,177)	\$ 32,054,885

*The accompanying notes are an integral part of these financial statements*

# KLONDIKE GOLD CORP.

## CONDENSED INTERIM STATEMENTS OF CASH FLOWS (Expressed in Canadian dollars) (Unaudited)

	Three months ended May 31,	
	2024	2023
<b>Operating activities</b>		
Loss and comprehensive loss	\$ (147,941)	\$ (368,163)
Items not involving cash:		
Depreciation	35,557	35,557
Finance expense	2,396	4,818
Other income - flow-through	(56,712)	(11,368)
Unrealized loss (gain) on marketable securities	-	2,250
Changes in non-cash working capital items:		
Amounts receivable	9,234	(1,650)
Prepaid expenses and deposits	(19,454)	(72,142)
Trade and other payables	219,170	40,451
	42,250	(370,247)
<b>Financing activities</b>		
Proceeds on issuance of common shares, net of share issuance costs	940,274	2,456,792
Lease payments	(41,540)	(40,931)
	898,734	2,415,861
<b>Investing activities</b>		
Exploration and evaluation asset expenditures	(523,767)	(175,644)
	(523,767)	(175,644)
Change in cash	417,217	1,869,970
Cash, beginning	1,009,695	115,785
<b>Cash, end</b>	\$ 1,426,912	\$ 1,985,755
<b>Non-cash financing and investing activities</b>		
Exploration costs incurred through trade and other payables	\$ -	\$ 44,792
Warrants issued as a finder's fee	\$ 2,439	\$ -

*The accompanying notes are an integral part of these financial statements*

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023

(Expressed in Canadian dollars)  
(Unaudited)

### 1. NATURE OF OPERATIONS AND GOING CONCERN

Klondike Gold Corp. (the “Company”) is a Vancouver-based resource exploration company listed on the TSX Venture Exchange under the symbol “KG”. The Company was incorporated on August 23, 1978, under the laws of the Province of British Columbia, Canada. The Company’s head office is located at Suite 3123 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J1, and the Company’s registered and records office is located at Suite 2500 - 700 West Georgia St., Vancouver, British Columbia, V6Y 1B3.

The financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at May 31, 2024, the Company had working capital of \$1,156,265 (February 29, 2024 - \$754,648) and cash of \$1,426,912 (February 29, 2024 - \$1,009,695). As at and for the three months ended May 31, 2024, the Company reported a loss and comprehensive loss of \$147,941 (2023 - \$368,163), and had an accumulated deficit of \$64,769,177 at that date (February 29, 2024 - \$64,621,236). Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The material uncertainty of the Company’s success in raising additional capital funding casts significant doubt on the Company’s ability to continue as a going concern. The financial statements 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 if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future.

### 2. BASIS OF PRESENTATION

#### a) Statement of Compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting and, except as described below, they follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. Accordingly, they should be read in conjunction with the Company’s most recent annual financial statements.

The financial statements were authorized for issue by the Board of Directors on July 29, 2024.

#### b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### c) Foreign Currencies

The presentation and functional currency of the Company is the Canadian dollar. All financial information is presented in Canadian dollars unless otherwise noted and all financial information has been rounded to the nearest dollar.

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied by the Company in the financial statements are the same as those applied by the Company in its most recent annual financial statements.

### 4. RESTRICTED CASH

The Company maintains one-year term deposits as collateral for the credit cards, which automatically renew at maturity, of \$69,000 as at May 31, 2024 (February 29, 2024 - \$69,000). The Company has the ability to cancel its credit cards and receive the term deposits in full at any time.

### 5. PROPERTY AND EQUIPMENT

	Vehicles	Building	Right-of-use asset	Total
<b>Cost</b>				
Balance, February 28, 2023, February 29, 2024, and May 31, 2024	\$ 53,800	\$ 380,000	\$ 739,400	\$ 1,173,200
<b>Accumulated depreciation</b>				
Balance, February 28, 2023	\$ 53,800	\$ 190,000	\$ 492,912	\$ 736,712
Depreciation	-	19,000	123,228	142,228
Balance, February 29, 2024	53,800	209,000	616,140	878,940
Depreciation	-	4,750	30,807	35,557
Balance, May 31, 2024	\$ 53,800	\$ 213,750	\$ 646,947	\$ 914,497
<b>Carrying amount</b>				
Balance, February 29, 2024	\$ -	\$ 171,000	\$ 123,260	\$ 294,260
Balance, May 31, 2024	\$ -	\$ 166,250	\$ 92,453	\$ 258,703

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

### 6. EXPLORATION AND EVALUATION ASSETS

	Placer Claims \$	Quartz Claims \$	Total \$
<b>Acquisition costs:</b>			
Balance, February 29, 2024, and May 31, 2024	1,167,436	4,995,243	6,162,679
<b>Exploration costs:</b>			
Balance, February 29, 2024	77,120	24,850,244	24,927,364
Camp supplies	-	48,091	48,091
Consulting & wages	-	149,165	149,165
Drilling	-	143,822	143,822
Fuel	-	24,739	24,739
Lab analysis	-	568	568
Property maintenance	-	7,184	7,184
Surveying	-	51,603	51,603
Travel	-	1,101	1,101
Balance, May 31, 2024	77,120	25,276,517	25,353,637
<b>Royalty payments:</b>			
Balance, May 31, 2024	(879,899)	-	(879,899)
<b>Total costs:</b>			
Balance, May 31, 2024	364,657	30,271,760	30,636,417
	Placer Claims \$	Quartz Claims \$	Total \$
<b>Acquisition costs:</b>			
Balance February 28, 2023 and February 29, 2024	1,167,436	4,995,243	6,162,679
<b>Exploration costs:</b>			
Balance, February 28, 2023	77,120	23,260,171	23,337,291
Camp supplies	-	109,510	109,510
Consulting & wages	-	671,146	671,146
Drilling	-	436,182	436,182
Fuel	-	66,712	66,712
Lab analysis	-	136,331	136,331
Property maintenance	-	70,788	70,788
Surveying	-	68,730	68,730
Travel	-	30,674	30,674
Balance February 29, 2024	77,120	24,850,244	24,927,364
<b>Royalty payments:</b>			
Balance February 29, 2024	(879,899)	-	(879,899)
<b>Total costs:</b>			
Balance February 29, 2024	364,657	29,845,487	30,210,144



# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023

(Expressed in Canadian dollars)  
(Unaudited)

### a) Yukon Quartz and Placer Claims

The Company holds a 100% beneficial interest in a group of quartz claims, crown grants and placer claims located between Eldorado Creek and Upper Bonanza Creek, Dawson Mining Division, Yukon Territory.

These claims include a large contiguous group of claims acquired by staking and option agreements, which include both the quartz and placer claims, which the Company considers to be one cash-generating unit.

#### Acquisition of C2C claims

During fiscal 2023, the Company entered into a property acquisition agreement with C2C Gold Corp. ("C2C") for the purchase by the Company of a 100% interest in C2C's mining claims located in the Dawson mining district, Yukon Territory, for consideration of 1,000,000 common shares of the Company with a value of \$110,000. The Company has also granted a 1% net smelter returns ("NSR") royalty to the vendor in respect of the C2C claims, of which the Company may purchase one-half of the NSR royalty (being a 0.5% NSR royalty) for \$500,000 cash at any time. The claims each have underlying 2% NSR royalty obligations where the Company has the right to purchase one-half (being 1% of each NSR royalty) for \$1,000,000 cash and has a right of first refusal to purchase the remaining 1% NSR royalty.

#### Assignment of Lease on Upper Eldorado Creek Property

In September 2019, the Company entered into a lease agreement with Dulac Mining Ltd ("Dulac Mining") whereby the Company assigns to Dulac Mining the rights and permits to placer mine on the Upper Eldorado Creek property, contained wholly within the Company's Klondike District Property, Yukon Territory. Under the terms of the lease agreement, the Company will receive from Dulac Mining a direct 10% gold production royalty from mining on the placer property payable in raw gold. The lease agreement was for a term of 3 years, expiring July 2022, renewable thereafter subject to approval by both parties. During the year ended February 29, 2024, the Company sold physical 53.1 ounces of gold and 11 ounces of silver received as royalty payments, held by Technic Inc Canada on behalf of the Company, for net proceeds of \$136,564. As at May 31, 2024, the Company has received \$136,564 in royalty payments from Dulac Mining which was netted against capitalized exploration and evaluation asset costs (February 29, 2024 - \$136,564). The lease agreement was not renewed.

#### Acquisition of Sophie claims

During fiscal 2020, the Company entered into a property acquisition agreement of a 100% interest in mining claims located in the Dawson mining district, Yukon Territory, for consideration of \$12,400. The Company has also granted a 1% NSR royalty to the vendor in respect of the Sophie claims, of which the Company may purchase one-half of the NSR royalty (being a 0.5% NSR royalty) for cash in the amount of \$750,000 at any time.

#### Acquisition of Burkhard claims

During fiscal 2018, the Company entered into a property acquisition agreement of a 100% interest in mining claims located in the Dawson mining district, Yukon Territory, for consideration of \$20,000. The Company has also granted a 2% NSR royalty to the vendor in respect of the Burkhard

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

claims, of which the Company may purchase one-half of the NSR royalty (being a 1% NSR royalty) for cash in the amount of \$1,000,000 at any time.

### Acquisition of Gimlex claims

During fiscal 2017, the Company entered into a property acquisition agreement with Gimlex Enterprises Ltd. ("Gimlex") for the purchase by the Company of a 100% interest in Gimlex's mining claims located in the Dawson mining district, Yukon Territory, for consideration of \$500,000 in cash and 3,000,000 common shares of the Company with a value of \$1,200,000. The Company has also granted a 2% NSR royalty to the vendor in respect of the Gimlex property, of which the Company may purchase one-half of the NSR royalty (being a 1% NSR royalty) for cash in the amount of \$1,500,000 at any time.

### Assignment of Lease on Montana Creek Placer Project

The Company holds a 100% interest in the Montana Creek Placer Project property where it formerly operated a placer mining operation south of Dawson City, Yukon Territory. The interest in the property is subject to an existing third party 5% royalty on production of gold or other minerals.

Prior to fiscal 2017, the Company received \$743,335 in royalty payments pursuant to a lease agreement, which are netted against capitalized exploration and evaluation asset costs on the statements of financial position.

## b) Net Smelter Returns

### Ontario Claims

The Company holds a 100% interest in an Ontario property subject to a 2% NSR royalty of which half can be purchased for \$1,000,000 at any time. The carrying value was written-down to \$nil during fiscal 2014.

### Portuguese Exploration Licenses

The Company previously held five exploration licenses prospective for gold from the Portuguese Department of Energy & Geology.

The Company retains a 2% NSR royalty over the Portuguese exploration licenses, of which Medgold Resource Ltd., a subsidiary of Medgold Resources Corp., may purchase all or parts of the NSR royalty for \$1,000,000 per percentage point.

### British Columbia ("B.C.") Claims

The Company retains a royalty equal to 1% of NSR royalty from minerals produced from its Vine Extension Property, sold to PJX Resources Inc. in fiscal 2014.

## 7. LEASE PAYABLE

As at May 31, 2024, lease payable of \$121,316 was outstanding (February 29, 2024 - \$160,460). The carrying amount of the right-of-use asset is depreciated on a straight-line basis over the life of the lease, which has a term of six years to February 2025.

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

Information about leases for which the Company is a lessee is presented below:

### *Right-of-use asset*

Balance - February 28, 2023	\$ 246,488
Depreciation	(123,228)
Balance - February 29, 2024	123,260
Depreciation	(30,807)
Balance - May 31, 2024	\$ 92,453

The following table summarizes the Company's lease commitment:

Balance - February 28, 2023	\$ 308,490
Lease payments	(163,724)
Finance expense	15,694
Balance - February 29, 2024	160,460
Lease payments	(41,540)
Finance expense	2,396
Balance - May 31, 2024	\$ 121,316
Current lease liability included in lease	\$ 121,316
Non-current lease liability included in long-term lease	-
Total	\$ 121,316

During the three months ended May 31, 2024, the Company received \$23,850 (2023 - \$23,850) in rental income relating to subleases of its office premises to third parties that is recorded as a recovery of rent expense, included in office and miscellaneous in profit or loss. The Company classified these subleases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the rights to use the underlying assets.

The following table summarizes the Company's undiscounted lease payments:

	May 31, 2024
Short-term portion of the lease (<1 Year)	\$ 124,620
Long-term portion of the lease (>1 Year)	-
Total	\$ 124,620

## 8. RELATED PARTY BALANCES AND TRANSACTIONS

The Company entered into the following transactions and had the following balances payable with related parties. The transactions were recorded at fair value. Balances outstanding are non-interest bearing, unsecured and have no specific terms of repayment.

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023

(Expressed in Canadian dollars)  
(Unaudited)

- a) During the three months ended May 31, 2024, the Company was charged management fees of \$37,500 (2023 - \$37,500) by a company owned by the CEO of the Company. Of this amount, \$37,500 (2023 - \$15,000) was included in additions to exploration and evaluation assets on the statements of financial position. As at May 31, 2024, \$nil included in trade and other payables on the statements of financial position was owing to this company (February 29, 2024 - \$26,250).
- b) During the three months ended May 31, 2024, the Company was charged \$39,707 (2023 - \$56,189), \$9,707 of which was share issue costs (2023 - \$26,189), by a company whose CEO is a director of the Company, for corporate administration services included in consulting on the statements of loss and comprehensive loss.

### Key Management Compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

There was \$nil for vested stock options granted to directors and officers of the Company, and affiliated companies of directors and officers of the Company, included in share-based compensation during the three months ended May 31, 2024 (2023 - \$nil).

## 9. SHARE CAPITAL

- a) Authorized: Unlimited common shares without par value.
- b) Issued during the three months ended May 31, 2024

### Private placement closed May 2024

The Company issued 10,785,965 non-flow-through units, comprised of one common share and one warrant, at a price of \$0.09 per non-flow-through units for gross proceeds of \$970,737.

The 10,785,965 warrants issued are exercisable at \$0.15 per common share until May 17, 2026.

Cash transaction costs of \$30,463 were incurred as share issuance costs and 96,000 warrants with a value of \$2,439 issued as a finder's fee, exercisable at \$0.15 per common share until May 17, 2026, in relation to this private placement. The finder's fee warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.15; ii) expected share price volatility of 75%; iii) risk-free interest rate of 4.31%; iv) expected life of 2 years; v) no dividend yield.

### Issued during the year ended February 29, 2024

### Private placement closed May 2023

The Company issued 14,059,348 flow-through units, comprised of one flow-through common share and one warrant, at a price of \$0.115 per flow-through unit for gross proceeds of \$1,616,825.

A flow-through premium liability of \$140,593 was allocated to the flow-through obligation of this private placement, and the remainder of the proceeds were allocated to share capital. As at May

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

31, 2024, the Company has incurred eligible expenditures of \$1,616,825 of the total obligation of \$1,616,825, leaving a flow-through premium liability of \$nil.

The Company also issued 9,543,858 non-flow-through units, comprised of one common share and one warrant, at a price of \$0.105 per non-flow-through unit for gross proceeds of \$1,002,105.

The 23,603,206 warrants issued are exercisable at \$0.20 per common share until April 28, 2025.

Cash transaction costs of \$162,138 were incurred as share issuance costs and 979,220 warrants with a value of \$44,100 issued as a finder's fee, exercisable at \$0.20 per common share until April 28, 2025, in relation to this private placement. The finder's fee warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.20; ii) expected share price volatility of 75%; iii) risk-free interest rate of 3.72%; iv) expected life of 2 years; v) no dividend yield.

### Private placement closed December 2023

The Company issued 7,771,668 flow-through units, comprised of one flow-through common share and one warrant, at a price of \$0.09 per flow-through unit for gross proceeds of \$699,450.

A flow-through premium liability of \$77,717 was allocated to the flow-through obligation of this private placement, and the remainder of the proceeds were allocated to share capital. As at May 31, 2024, the Company has incurred eligible expenditures of \$nil of the total obligation of \$433,578, leaving a flow-through premium liability of \$29,542.

The Company also issued 4,050,000 non-flow-through units, comprised of one common share and one warrant, at a price of \$0.08 per non-flow-through unit for gross proceeds of \$324,000.

The 11,821,668 warrants issued are exercisable at \$0.18 per common share until December 18, 2025.

Cash transaction costs of \$60,772 were incurred as share issuance costs and 455,333 warrants with a value of \$7,487 issued as a finder's fee, exercisable at \$0.18 per common share until December 18, 2025, in relation to this private placement. The finder's fee warrants were fair valued using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.18; ii) expected share price volatility of 75%; iii) risk-free interest rate of 4.01%; iv) expected life of 2 years; v) no dividend yield.

c) A summary of the changes in warrants follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, February 28, 2023	13,294,762	\$ 0.24
Issued	36,859,427	0.19
Expiry	(9,853,762)	0.25
Balance, February 29, 2024	40,300,427	0.19
Issued (Note 9(b))	10,881,965	0.15
Balance, May 31, 2024	51,182,392	\$ 0.18

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

As at May 31, 2024, the following warrants were outstanding:

Outstanding	Exercise Price	Expiry Date
2,441,000	\$ 0.20	December 30, 2024
1,000,000	0.20	January 24, 2025
24,582,426	0.20	April 28, 2025
12,277,001	0.18	December 18, 2025
10,881,965	0.15	May 17, 2026
51,182,392		

- d) The Company has established a “rolling” Stock Option Plan (the “Plan”). Under the Plan, the number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding shares and, to any one optionee, may not exceed 5% of the issued shares on a yearly basis. The maximum term of each stock option shall not be greater than 10 years. The exercise price of each option shall not be less than the market price of the Company’s shares at the date of grant. Stock options granted to consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such stock options vesting in any 3 month period. All other stock options vest at the discretion of the Board of Directors.

A summary of the changes in stock options follows:

	Number of Options	Weighted Average Exercise Price
Balance, February 28, 2023	14,519,500	\$ 0.20
Cancelled/Forfeited	(280,000)	0.14
Balance February 29, 2024, and May 31, 2024	14,239,500	\$ 0.20

As at May 31, 2024, the following stock options were outstanding:

Outstanding and Exercisable	Exercise Price	Expiry Date
1,244,500	\$ 0.12	December 16, 2024
805,000	0.19	April 19, 2026
660,000	0.28	June 21, 2026
400,000	0.30	September 13, 2026
900,000	0.26	April 4, 2027
3,700,000	0.10	January 24, 2028
2,930,000	0.29	March 28, 2028
1,305,000	0.21	May 17, 2029
2,295,000	0.25	October 30, 2030
14,239,500		

- e) The Company has established a “fixed” restricted share unit (“RSU”) and deferred share unit (“DSU”) compensation plan (the “RSU/DSU Plan”). Under the RSU/DSU Plan the maximum number of restricted share units and deferred share units (“Awards”) that may be reserved is 18,012,324 Awards.

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

There were no RSU's or DSU's granted during the three months ended May 31, 2024 and 2023.

### 10. MANAGEMENT OF CAPITAL

The Company manages its components of equity as capital. 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 properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in an interest bearing Canadian chartered bank account.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the periods presented.

### 11. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to the financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The levels of the fair value hierarchy are:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
Level 3	Inputs that are not based on observable market data

The fair values of the Company's cash, restricted cash, amounts receivable, reclamation bond, trade and other payables, and lease approximate their carrying value, due to their short-term maturities and market interest rate.

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

# KLONDIKE GOLD CORP.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)

### a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is attributable to cash, restricted cash and amounts receivable. Cash and restricted cash are held with large Canadian banks or brokerages. Management believes the risk of loss to be remote. The Company's amounts receivable is primarily comprised of amounts owing from the Government of Canada for input tax credits receivable. Accordingly, the Company does not believe it is subject to significant credit risk.

### b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk through careful management of its financial obligations in relation to its cash position. Using budgeting processes, the Company manages its liquidity requirements based on expected cash flow to ensure there are adequate funds to meet the short-term obligations during the year. The Company is subject to liquidity risk.

### c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:

#### i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash and restricted cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values of the Company's cash and restricted cash balances. The Company does not have any interest bearing debt.

#### ii) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's purchases are predominantly transacted in Canadian dollars.

#### iii) Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including gold, silver, zinc and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected



# **KLONDIKE GOLD CORP.**

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS THREE MONTHS ENDED MAY 31, 2024 AND 2023 (Expressed in Canadian dollars) (Unaudited)**

not to actively manage its commodity price risk, as the nature of the Company's business is in exploration.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.