Unaudited Condensed consolidated interim Condensed Interim Financial Statements of

SOUTH ATLANTIC GOLD INC.

(An Exploration Stage Company)

For the Three Months Ended May 31, 2024 and 2023

South Atlantic Gold Inc.

(An Exploration Stage Company)
(Expressed in Canadian Dollars)
May 31, 2024 and 2023

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NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) the accompanying unaudited condensed consolidated interim condensed interim financial statements of the Company for the three months ended May 31, 2024 have been prepared by and are the responsibility of management in accordance with International Financial Reporting Standards applicable to unaudited condensed consolidated interim condensed interim financial reporting.

The Company's independent auditor has not audited or performed a review of these condensed consolidated interim condensed interim financial statements, in accordance with standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

For further information please contact:

Douglas Meirelles, CEO or

Terese Gieselman, CFO

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South Atlantic Gold Inc.

(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (un-audited)
As at May 31, 2024 and February 29, 2024
(Expressed in Canadian Dollars)

	Note	May 31 2024	February 29 2024
ASSETS			
Current			
Cash		$ **95,786**	$ 234,618
Prepaids		**9,594**	1,970
Receivables		**18,191**	16,887
Total current assets		**123,571**	253,475
Non current			
Equipment	5	**1,725**	1,746
Reclamation bond	7	**7,500**	7,500
Prepaids and deposits	6	**8,246**	8,559
Exploration and evaluation assets	6	**3,827,977**	3,823,891
Total Assets		**3,969,019**	4,095,171
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	8, 12	**406,010**	465,621
Shareholders' Equity			
Share Capital	9	**7,410,527**	7,410,527
Contributed surplus	9,10	**1,430,110**	1,420,845
Deficit		**(5,277,628)**	(5,201,822)
Total Shareholders' Equity		**3,563,009**	3,629,550
Total Liabilities and Shareholders' Equity		$ **3,969,019**	$ 4,095,171

Signed on behalf of the Board of Directors by:

"Douglas Meirelles" Director — Douglas Meirelles

"Adam Davidson" Director — Adam Davidson

South Atlantic Gold Inc.

(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (un-audited)
For the three months ended May 31
(Expressed in Canadian Dollars)

	Note		May 31 2024		May 31 2023
Expenses					
Administrative and general	11,12	$	**46,109**		41,203
Wages & benefits	12		**50,301**		54,467
Depreciation	5		**21**		99
Foreign exchange			**(28,743)**		(2,589)
Share-based payments	10		**9,265**		140,423
Total expenses			**(76,953)**		(233,603)
Other income and expenses					
Interest income			**1,147**		608
Net loss and comprehensive loss for the period		$	**(75,806)**		(232,995)
Loss per share for the period basic and diluted	13	$	**(0.00)**		(0.00)

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

South Atlantic Gold Inc.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (un-audited)

For the three months ended May 31

Expressed in Canadian Dollars

	Note	Share Capital	Subscriptions	Contributed Surplus	Deficit	Total
Balance at February 28, 2023		$6,569,586	$15,000	$1,227,474	$(3,926,798)	$3,885,262
Net loss for the period		-	-	-	(232,995)	(232,995)
Private placement	9	255,000	(15,000)	-	-	240,000
Share issue costs	9	(17,198)	-	-	-	(17,198)
Fair value of agents warrants	9	(5,457)	-	5,457	-	-
Share-based payments	10	-	-	140,423	-	140,423
Balance at May 31, 2023		$6,801,931	$-	$1,373,354	$(4,159,793)	$4,015,492

	Note	Share Capital	Contributed Surplus	Deficit	Total
Balance at February 29, 2024		$7,410,527	$1,420,845	$ (5,201,822)	$3,629,550
Net loss for the period		**-**	**-**	**(75,806)**	**(75,806)**
Share-based payments	**10**	**-**	**9,265**	**-**	**9,265**
Balance at May 31, 2024		**$7,410,527**	**$1,430,110**	**$(5,277,628)**	**$3,563,009**

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

South Atlantic Gold Inc.

(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (un-audited)
For the three months ended May 31
(Expressed in Canadian Dollars)

	Note	May 31 2024	May 31 2023
OPERATING ACTIVITIES			
Loss for the period		$ **(75,806)**	$ (232,995)
Items not affecting cash			
Depreciation	5	**21**	99
Share-based payments	10	**9,265**	140,423
Changes in non-cash working capital			
Receivables		**(1,304)**	7,993
Prepaids		**(7,624)**	(7,751)
Trade and other payables	7	**(52,825)**	(231,679)
Cash used in operating activities		**(128,273)**	(323,910)
INVESTING ACTIVITIES			
Prepaid exploration expenditure		**313**	(12,705)
Exploration and evaluation asset expenditures	6	**(10,872)**	188,014
Cash provided (used) in investing activities		**(10,559)**	175,308
FINANCING ACTIVITIES			
Private placement	9	**-**	240,000
Share issue costs	9	**-**	(17,198)
Net cash provided by financing activities		**-**	222,802
Decrease in cash during the period		**(138,832)**	74,201
Cash beginning of period		**234,618**	18,634
Cash end of period		**$ 95,786**	$ 92,835

Supplemental cash flow information – Note 15

1. CORPORATION INFORMATION

South Atlantic Gold Inc. (the "Company" or "South Atlantic") was incorporated on October 17, 2006 under the laws of British Columbia, Canada. On November 19, 2020, the Company changed its name from Jiulian Resources Inc. to South Atlantic Gold Inc. Effective November 24, 2020, the Company commenced trading on the TSX Venture Exchange (the "Exchange") under the new symbol "SAO" as a Tier 2 issuer.

The Company's corporate office and principal place of business is located at 335 – 1632 Dickson Avenue, Kelowna, BC V1Y 7T2.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties located in Brazil and Canada. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's current properties include the Pedra Branca project in Brazil and the Big Kidd project currently under option and located in British Columbia (Note 6).

2. BASIS OF PREPARATION AND GOING CONCERN

These condensed consolidated interim financial statements for the three month period ended May 31, 2024 and 2023 and have been prepared in accordance with IAS 34 Interim Financial Reporting. These condensed consolidated interim financial statements follow the same accounting policies and methods of application of the Company's most recent annual financial statements. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's February 29, 2024 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**").

The condensed consolidated interim condensed interim financial statements were authorized for issue by the Board of Directors on July 15, 2024.

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

The condensed consolidated interim financial statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiary.

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 judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements, are disclosed in Note 4.

Going Concern

The Company has not generated revenues from its operations to date. These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three months ended May 31, 2024, the Company had a net loss of $75,806 (May 31, 2023 - $232,995), and as of that date, an accumulated a deficit of $5,277,628 (February 28, 2024 - $5,201,822). The Company will continue to have to raise funds in order to continue the development of its exploration properties and general operations.

2. BASIS OF PREPARATION AND CONTINUANCE OF OPERATIONS (cont'd)

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and share purchase warrants.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and condensed consolidated interim statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited financial statements for the year ended February 29, 2024. These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended February 29, 2024.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized in the period of the change, if the change affects that period only, or in the period of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these condensed consolidated interim financial statements are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Impairment of Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash-generating unit or group of cash-generating unit's level in the year the new information becomes available. Such assessments of impairment have a degree of estimation and judgment which may differ in the future.

Valuation of Share-based Payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

5. EQUIPMENT

	Furniture & Fixtures
Cost	
Balance at February 28, 2023	$10,192
Additions	-
Balance at February 28, 2024	10,192
Additions	**-**
Balance at May 31, 2024	**10,192**
Depreciation and impairment losses	
Balance at February 28, 2023	8,048
Depreciation for the period	398
Balance February 28, 2024	8,446
Depreciation for the period	**21**
Balance at May 31, 2024	**8,467**
Carrying amounts	
Carrying value at February 28, 2024	$1,746
Carrying value at May 31, 2024	**$1,725**

6. EXPLORATION AND EVALUATION ASSETS

	Brazil Pedra Branca	Canada Bid Kidd	Total
Balance at February 28, 2023	$ 3,125,172	$ 967,782	$4,092,954
Exploration costs	97,788	3,149	100,937
Option payment received	-	(370,000)	(370,000)
Balance at February 28, 2024	3,222,960	600,931	3,823,891
Exploration costs	**4,086**	**-**	**4,086**
Balance at May 31, 2024	**$3,227,046**	**$600,931**	**$3,827,977**

Included in non-current prepaids is $8,246 (February 29, 2024 - $8,559) of prepaid exploration and evaluation expenditures.

BRAZIL

Pedra Branca Property

The Company entered into a definitive agreement (the "Option Agreement") with Jaguar Mining Inc. ("Jaguar") effective July 29, 2020 to acquire up to a 100% interest in the Pedra Branca property (the "Pedra Branca Property") tenement package, located in Ceará State, North-eastern Brazil (the "Acquisition").

Pursuant to the Option Agreement the Company has acquired a 100% interest in the Pedra Branca Property by completing exploration expenditures totalling a minimum of US$1 million and delivering a National Instrument 43-101 ("NI 43-101") technical report on the Pedra Branca Property (delivered) subject to underlying royalties to the original vendors which include:

i. Base Metal – 1.0% on gross revenues over any production for as long as there is effective production and sales; and
ii. Gold ("Au") Deposit:
    a. In the case of Measured and Indicated Resources of up to 200,000 Au oz = 0.5% royalty on gross revenues and a US$500,000 payment due within 3 months after commercial production; and
    b. In the case of Measured and Indicated Resources in excess 200,000 Au oz = 1.0% royalty on gross revenues and in this scenario 0.5% of the royalty may be purchased for US$750,000.

CANADA

Big Kidd Property

The Company, on March 30, 2011, pursuant to a purchase agreement (the "Agreement"), acquired a 100% interest in the Big Kidd Property, located in British Columbia, subject to net smelter royalty of 2.5% (the "Royalty"). Upon commencement of commercial production, the Company has the right to purchase a 60% interest in the Royalty for $500,000 and the remaining 40% Royalty for $1,000,000 at any time within three years following the commencement of commercial production.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

CANADA (cont'd)

Big Kidd Property (cont'd)

Effective November 4, 2022, the Company entered into an option agreement, further amended on January 4, 2023 ("First Amendment") and February 28, 2023 ("Second Amendment"), to divest its 100% interest of the Big Kidd Project, British Columbia, to Quetzal Copper Limited ("Quetzal"), a British Columbia corporation, for a total consideration of $4.8 million and a 2% net smelter royalty ("NSR") upon completion of the required milestones (the "Transaction").

Option Terms

Cash Payments

- Cash payments of $10,000 within 10 days of November 4, 2022 and January 4, 2023, (pursuant to the First Amendment) totaling $20,000 (received as at February 28, 2023);
- Cash payments of $20,000 within 10 days of February 28, 2023 pursuant to the Second Amendment (received as at February 29, 2024);
- A cash payment totaling $130,000 to South Atlantic, subject to undertaking of equity financing for aggregate gross proceeds of at least $500,000 to be completed on or prior to January 3, 2023 (the "Qualifying Financing") by Quetzal (balance due on or before May 29, 2023 subject to Quetzal completing a Qualifying Financing (received as at February 29, 2024);
- $200,000 per year on or before the 1st, 2nd, 3rd, and 4th anniversary of the First Amendment date (January 4, 2023) ($200,000 received as at February 29, 2024); and
- At the 5-year anniversary of the signing, Quetzal will make a cash payment of $350,000 or if Quetzal is publicly listed on a recognized stock exchange in North America it may elect to issue common shares with a market value of $350,000 to South Atlantic.

During the year ended February 29, 2024, as Quetzal had not completed the Qualifying Financing on or before May 29, 2023, under the terms of the Second Amendment the parties agreed to a further 60 day period for Quetzal to complete the Qualifying Financing wherein Quetzal shall pay to the Company an additional $10,000 per each 30 day period as further consideration ($20,000 received as at February 29, 2024).

Further Milestone payments

- Following the completion of 40,000 meters of drilling at Big Kidd, Quetzal will make a payment of $300,000 in cash or shares, at its election (if listed on a recognized stock exchange in North America);
- Following the filing of a Pre-Feasibility Study on Big Kidd, Quetzal will make a cash payment of $1,200,000 in cash or shares, at its election (if listed on a recognized stock exchange in North America); and
- Following the filing of a Feasibility Study on Big Kidd, Quetzal will make a payment of $2,000,000 (if listed on a recognized stock exchange in North America).

Net Smelter Royalty

- South Atlantic Gold will retain a net smelter royalty of 2% over asset, of which 1% may be bought back by Quetzal for $2 million. In the event that there is a third party offer for such 1% royalty, Quetzal will retain a right of first refusal to purchase the royalty on terms no less favourable than the third party offer to South Atlantic. The remaining 1% royalty will be at South Atlantic's discretion.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Realization

The Company's investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and upon future profitable production or proceeds from the disposition thereof.

Title

Although the Company has taken steps to ensure the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures may not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

Environmental legislation is becoming increasingly stringent, and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the exploration and evaluation assets, the potential for production on the property may be diminished or negated.

7. RECLAMATION BOND

The Company is required to make reclamation deposits in respect of its expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company on its Big Kidd Property. The reclamation deposits are held with the Minister of Energy and Mines in British Columbia. The reclamation bond includes a guaranteed investment certificate with a maturity date of December 3, 2024 and an interest rate of prime less 2.7%.

8. TRADE AND OTHER PAYABLES

	May 31 2024	**February 29 2024**
Trade payables	**$391,772**	$456,775
Due to related parties (Note 12)	**14,237**	8,846
Total	**$406,009**	$465,621

9. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company's authorized share capital is an unlimited number of common shares with no par value.

	Number	Issue Price	Total
Balance at February 28, 2023	94,331,667	-	$6,569,586
Shares issued for private placement	5,100,000	$0.050	255,000
Shares issued for private placement	8,533,999	$0.060	512,040
Shares issued for advisory services	1,600,000	$0.065	104,000
Share issue costs	-	-	(30,099)
Balance at February 29, 2024 and May 31, 2024	**109,565,666**	**-**	**$7,410,527**

During the period ended May 31, 2024 there were no share issuances.

The following is a summary of changes in share capital from March 1, 2023 to February 29, 2024:

On March 21, 2023, the completed a non-brokered private placement financing wherein the Company issued 5,100,000 common shares (the "Shares") at a price of $0.05 for gross proceeds of $255,000 (the "March 2023 Offering").

In connection with the March 2023 Offering, the Company has paid aggregate finders' fees of $12,000 in cash and issued 240,000 finders warrants ("Agent Warrants"). Each Agent Warrant entitles the holder to acquire one additional Common Share at a price of $0.055 per share until March 21, 2025.

The fair value of the non-cash share issuance costs of $5,457 for the Agent Warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: share price on issuance date of $0.04, exercise price of $0.055, risk-free interest rate of 3.75%, average projected volatility of 123.4%, dividend yield of nil, average expected life of the options of 2 years and the fair value of the Agent Warrants of $0.02.

Additional transfer agent and filing fees in the amount of $5,198 were incurred in connection with the March 2023 Offering.

On July 31, 2023, the Company the completed a non-brokered private placement financing wherein the Company issued 8,533,999 common shares (the "Shares") at a price of $0.06 for gross proceeds of $512,040 (the "July 23 Offering").

Share issue costs for transfer agent and filing fees in the amount of $7,444 were incurred in connection with the July 2023 Offering.

On August 4, 2023, the Company issued 1,600,000 common shares in connection with an advisory agreement (the "Advisory Shares"). The Advisory Shares were valued at $104,000 as determined by the market price when issued being $0.065 per share.

9. SHARE CAPITAL AND RESERVES (cont'd)

b) Agents' Warrants

The following is a summary of changes in agents' warrants from March 1, 2023 to May 31, 2024:

	Number of Agents Warrants	Weighted Average Exercise Price
Balance at February 28, 2023	1,882,800	$0.060
Issued	240,000	$0.055
Expired	(1,882,800)	$0.060
Balance at February 29, 2024 and May 31, 2024	**240,000**	**$0.055**

As at May 31, 2024, 240,000 (February 29, 2024 – 240,000) agent warrants were outstanding and exercisable with a weighted average remaining contractual life of 0.81 (February 29, 2024 – 1.06) years as follow:

Expiry Date	Exercise Price	Number of Warrants
March 21, 2025	**$0.055**	**240,000**

As at February 28, 2024, 240,000 agent warrants were outstanding and exercisable with a weighted average remaining contractual life of 1.06 years as follow:

Expiry Date	Exercise Price	Number of Warrants
March 21, 2025	**$0.055**	**240,000**

10. SHARE-BASED PAYMENTS

a) Option Plan Details

On July 9, 2020 the directors adopted a rolling 10% stock option plan further approved by shareholders on January 5, 2024 (the "**Option Plan**") to grant options to directors, senior officers, employees, and consultants of the Company. The aggregate outstanding options are limited to 10% of the outstanding common shares. The option price under each option shall not be less than the discounted market price as defined in the policies of the Exchange on the grant date. All options shall vest as specified by the Board of Directors and in accordance with the policies of the Exchange.

10. SHARE-BASED PAYMENTS (cont'd)

a) Option Plan Details

The following is the summary of changes in options from March 1, 2023 to May 31, 2024:

	Number of Options	Weighted Average Exercise Price
Balance, February 28, 2023	6,605,000	$0.09
Granted	1,810,000	$0.05
Expired	(355,000)	$0.07
Balance February 29, 2024	8,060,000	$0.08
Expired	**(1,630,000)**	$0.08
Balance May 31, 2024	**6,430,000**	$0.08

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

Expiry Date	Exercise Price	Number of Options	Vested and Exercisable	Unvested
09-Jul-25	**$0.05**	**300,000**	**300,000**	
10-Nov-25	**$0.14**	**2,070,000**	**2,070,000**	**-**
05-Jan-27	**$0.06**	**2,855,000**	**2,141,250**	**713,750**
11-May-28	**$0.05**	**1,205,000**	**301,250**	**903,750**
		6,430,000	**4,812,500**	**1,617,500**

b) Fair Value of Options Issued During the Period

During the period ended May 31, 2024 there were no options granted.

During the period ended May 31, 2023, the weighted average fair value of 1,810,000 options granted was $0.035 per option at grant date. The options granted during the period ended May 31, 2023 vested 25% on grant date, and 25% thereafter on each anniversary.

As at May 31, 2024, 6,430,000 (February 29, 2024 – 8,060,000) options were outstanding of which 4,812,500 (February 28, 2024 – 5,837,500) were exercisable under the Plan with a weighted average contractual life of 2.10 (February 29, 2024 – 2.39) years.

c) Expenses Arising from Share-based Payment Transactions

The total share-based payments recorded in the condensed consolidated interim statements of loss and comprehensive loss with a corresponding increase in contributed surplus for the period ended May 31,2024 was $9,265 (May 31, 2023 - $140,423) relating to options granted or vested during the period. The Black-Scholes option pricing model inputs for options granted during the period end May 31, 2023 include:

Grant Date	Expiry Date	Share Price	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
11-May-23	11-May-28	$0.05	$0.05	3.44%	5	1.09%	0

10. SHARE-BASED PAYMENTS (cont'd)

c) Expenses Arising from Share-based Payment Transactions (cont'd)

Expected volatility is based on the historical volatility of the Company's market share price. for a length of time equal to the expected life of the options. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The expected dividend rate is estimated at 0.00% as the Company does not have a history of issuing and paying dividends.

d) RSUs and DSUs

On October 21, 2022 the Board of Directors adopted a long have adopted a restricted share units ("RSUs") and deferred share units ("DSUs") long term incentive plan (the "LTIP") approved by shareholders on January 5, 2024.

Under the LTIP, RSUs and DSUs are granted to the Company's directors, officers, consultants, and employees as a part of compensation under the terms of the Company's restricted share units plan. Each RSU or DSU entitles the participant to receive the value of one Common Share. The maximum number of RSU or DSU awards and all other security-based compensation arrangements shall not exceed 9,433,166 common shares of the Company.

The number of RSUs or DSUs awarded and underlying vesting conditions are determined by the Board of Directors in its discretion. In accordance with the LTIP, upon each vesting date the Company shall decide, at its sole discretion whether participants receive (a) the issuance of Common Shares equal to the number of RSUs or DSUs vesting; (b) a cash payment equal to the number of vested RSUs multiplied by the fair market value of a Common Share, calculated as the closing price of the Common Shares on the TSX-V for the trading day immediately preceding such payment date; or (c) a combination of (a) and (b).

On the grant date of RSUs or DSUs, the Company determines whether it has a present obligation to settle in cash. If the Company has a present obligation to settle in cash, the RSUs or DSUs are accounted for as liabilities, with the fair value remeasured at the end of each reporting period and at the date of settlement, with any changes in fair value recognized in profit or loss for the period. The Company has a present obligation to settle in cash if the Company has a past practice or a stated policy of settling in cash, or generally settles in cash whenever the counterparty asks for cash settlement. If no such obligation exists, RSUs or DSUs are accounted for as equity settled share-based payments and are valued using the share price of the Common Share on grant date. Since the Company controls the settlement, the RSUs or DSUs are considered equity settled.

DSUs

During the period ended May 31, 2024 there were no DSU's granted.

During the period ended May 31, 2023, the Company granted 2,360,000 DSUs to certain director, officer, and advisor and recorded share-based compensation of $106,200 related to the DSUs.

The fair value per DSU granted during the period ended May 31, 2023 was determined to be $0.045 which is the share price of the Common Share on the grant date.

10. SHARE-BASED PAYMENTS (cont'd)

d) RSUs and DSUs (cont'd)

At May 31, 2024, the following DSUs were outstanding:

Number of DSUs	Weighted average grant date fair value per DSU
2,360,000	$0.045

RSUs

During the period ended May 31, 2024 there were no RSU's granted.

During the period ended May 31, 2023, the Company granted 180,000 DSUs to an employee and recorded share-based compensation of $8,100 related to the RSUs.

The fair value per RSU granted during the period ended May 31, 2023, was determined to be $0.045 which is the share price of the Common Share on the grant date.

At May 31, 2024, the following RSUs were outstanding:

Number of RSUs	Weighted average grant date fair value per RSU
180,000	$0.045

11. ADMINISTRATIVE AND GENERAL EXPENSES

		For the Three Months Ended May 31	
	Note	2024	2023
Administrative and General Expenses			
Accounting and legal		$ **7,766**	$ 4,252
Consulting	12	**9,569**	19,331
Insurance		**4,484**	2,879
Office and administration fees	12	**6,995**	10,257
Rent	12	**2,400**	3,100
Transfer agent fees		**916**	758
Travel		**12,603**	-
Website, advertising, shareholder communication		**1,376**	626
		$ **46,109**	$ 41,203

12. RELATED PARTY TRANSACTIONS

a) Key Management Compensation

The Company's related parties include key management personnel and directors. 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 members of the Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Direct remuneration paid to the Company's directors and key management personnel during the periods ended May 31, 2024 and May 31, 2023 are as follows:

	May 31 2024	**May 31 2023**
Key management personnel compensation comprised:		
Wages	**33,799**	33,799
Consulting fees:	**7,800**	9,878
Administration	**5,135**	3,608
Share based payments:	**8,879**	164,541
	55,613	178,026

Included in trade and other payables are amounts due to officers, directors and related parties for fees and expenses of $14,237 at May 31, 2024 (February 29, 2024 - $8,846).

b) Rent

The Company previously paid Golden Ridge Resources Ltd. (a company with a common officer) rent and expenses on a month-to-month basis for shared offices space for a total of $Nil for the period ended May 31, 2024 (May 31, 2023 – $1,500).

13. LOSS PER SHARE

	May 31 2024	**May 31 2023**
Net loss attributable to ordinary shareholders	**($75,806)**	($232,995)
Weighted average number of common shares	**109,565,666**	$98,267,537
Basic and diluted loss per share	**($0.00)**	($0.00)

14. SEGMENT REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada and Brazil. The Company has exploration and evaluation assets of which $600,931 (February 29, 2024 - $600,931) is in Canada and $3,227,046 (February 29, 2024 - $3,222,960) is in Brazil.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on cash flows are excluded from the condensed consolidated interim statements of cash flows. During the period May 31, 2024 and 2023 the following transactions were excluded from the condensed consolidated interim statements of cash flows:

i) Included in accounts payable is $Nil (2023 - $85,106) of exploration that are capitalized to exploration and evaluation assets; and

ii) A compensation charge of $Nil (2023 – $5,457 associated with the grant of Nil (2023 – 240,000) Agent Warrants was recorded as share issue costs (Note 9).