



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

**FOR THE THREE MONTHS ENDED JULY 31, 2023 AND 2022**

**TSXV: NGE**  
**OTCQB: NVDEF**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

**NEVADA EXPLORATION INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)  
AS AT

	July 31, 2023	April 30, 2023
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 58,372	\$ 10,523
Other receivables (Note 3)	5,354	7,924
Prepaid expenses (Note 4)	46,118	28,591
<b>Total current assets</b>	<b>109,844</b>	<b>47,038</b>
<b>Non-current assets</b>		
Equipment and intangible assets (Note 6)	77,910	96,729
Deposits and bonds (Note 8)	83,974	86,179
<b>Total non-current assets</b>	<b>161,884</b>	<b>182,908</b>
<b>Total assets</b>	<b>\$ 271,728</b>	<b>\$ 229,946</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 5 and 9)	\$ 827,373	\$ 634,046
Share subscriptions received (Note 11)	57,200	-
Short-term loan payable (Note 5)	282,940	258,464
<b>Total liabilities</b>	<b>1,167,513</b>	<b>892,510</b>
<b>Equity</b>		
Capital stock (Note 11)	37,855,477	36,460,330
Reserves (Note 11)	3,460,407	4,865,510
Deficit	(42,211,669)	(41,988,404)
<b>Total equity</b>	<b>(895,785)</b>	<b>(662,564)</b>
<b>Total liabilities and equity</b>	<b>\$ 271,728</b>	<b>\$ 229,946</b>

**Nature of operations, continuance of operations and going concern** (Note 1)

**Commitments** (Note 7)

**Events after the reporting period** (Note 15)

**Approved and authorized on behalf of the Board on: September 25, 2023**

\_\_\_\_\_  
*"Benjamin Leboe"* Director      \_\_\_\_\_  
*"Darcy Higgs"* Director

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

**NEVADA EXPLORATION INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Three months ended July 31, 2023	Three months ended July 31, 2022
<b>EXPENSES</b>		
Amortization (Note 6)	\$ 16,578	\$ 17,296
Equipment and vehicles	47	2,831
Exploration and evaluation expenditures (Note 7)	19,185	654,517
Filing fees	11,528	9,240
Foreign exchange	476	(4,670)
Interest and bank charges	8,395	609
Investor relations	-	71,215
Office expenses and other	18,959	29,122
Professional fees and consultants (Note 5)	87,240	64,415
Rent	42,007	37,392
Salaries (Note 5)	3,455	84,887
Share-based payments (Note 5 and 11)	3,661	81,233
Software	10,141	35,748
Travel	1,593	5,493
<b>Total operating expenses</b>	<b>(223,265)</b>	<b>(1,089,328)</b>
<b>OTHER ITEMS</b>		
Unrealized gain (loss) on short term investments	-	(9,159)
<b>Total other items</b>	<b>-</b>	<b>(9,159)</b>
<b>Net loss for the period</b>	<b>(223,265)</b>	<b>(1,098,487)</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Item that may be reclassified to profit or loss:		
Currency translation adjustment	1,427	7,181
<b>Total comprehensive loss for the period</b>	<b>\$ (221,838)</b>	<b>\$ (1,091,306)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.03)</b>	<b>\$ (0.16)</b>
<b>Weighted average number of common shares outstanding</b>	<b>6,764,865</b>	<b>6,749,978</b>

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**NEVADA EXPLORATION INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					Total Equity
	Shares (Note 11)	Amount (Note 11)	Options (Note 11)	Warrants (Note 11)	Currency Translation	Total Reserves	Deficit	
Balance, May 1, 2022	6,744,865	\$ 35,327,467	\$ 2,192,936	\$ 4,200,429	\$ 2,181	\$ 6,395,546	\$ (39,576,021)	\$ 2,146,992
Warrants expired	-	452,857	-	(452,857)	-	(452,857)	-	-
Share-based payments	-	-	81,233	-	-	81,233	-	81,233
Options exercised	20,000	74,810	(24,810)	-	-	(24,810)	-	50,000
Currency translation adjustment	-	-	-	-	7,181	7,181	-	7,181
Net loss for the period	-	-	-	-	-	-	(1,098,487)	(1,098,487)
<b>Balance, July 31, 2022</b>	<b>6,764,865</b>	<b>\$ 35,855,134</b>	<b>\$ 2,249,359</b>	<b>\$ 3,747,572</b>	<b>\$ 9,362</b>	<b>\$ 6,006,293</b>	<b>\$ (40,674,508)</b>	<b>\$ 1,186,919</b>
Balance, May 1, 2023	6,764,865	\$ 36,460,330	\$ 1,656,042	\$ 3,142,376	\$ 67,092	\$ 4,865,510	\$ (41,988,404)	\$ (662,564)
Warrants expired	-	1,410,191	-	(1,410,191)	-	(1,410,191)	-	-
Share-based payments	-	-	3,661	-	-	3,661	-	3,661
Share issuance costs (Note 11)	-	(15,044)	-	-	-	-	-	(15,044)
Currency translation adjustment	-	-	-	-	1,427	1,427	-	1,427
Net loss for the period	-	-	-	-	-	-	(223,265)	(223,265)
<b>Balance, July 31, 2023</b>	<b>6,764,865</b>	<b>\$ 37,855,477</b>	<b>\$ 1,659,703</b>	<b>\$ 1,732,185</b>	<b>\$ 68,519</b>	<b>\$ 3,460,407</b>	<b>\$ (42,211,669)</b>	<b>\$ (895,785)</b>

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

**NEVADA EXPLORATION INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

	Three months ended July 31, 2023	Three months ended July 31, 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (223,265)	\$ (1,098,487)
Items not affecting cash:		
Amortization	16,578	17,296
Share-based payments	3,661	81,233
Unrealized loss (gain) on short term investments	-	9,159
Accrued loan interest	7,976	-
Changes in non-cash working capital items:		
Accounts receivable	2,570	(9,595)
Prepaid expenses	(17,527)	105,655
Accounts payable and accrued liabilities	193,327	464,145
Share subscriptions received	57,200	-
<b>Net cash provided by (used in) operating activities</b>	<b>40,520</b>	<b>(430,594)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share issuance costs	(15,044)	-
Short-term loan proceeds	16,500	-
Proceeds from options exercised	-	50,000
<b>Net cash provided by financing activities</b>	<b>1,456</b>	<b>50,000</b>
<b>Effect of foreign exchange</b>	<b>5,873</b>	<b>260</b>
<b>Change in cash and cash equivalents for the period</b>	<b>47,849</b>	<b>(380,334)</b>
<b>Cash and equivalents, beginning of period</b>	<b>10,523</b>	<b>501,371</b>
<b>Cash and equivalents, end of period</b>	<b>\$ 58,372</b>	<b>\$ 121,037</b>

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

**NEVADA EXPLORATION INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

July 31, 2023

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**1. NATURE OF OPERATIONS, CONTINUANCE OF OPERATIONS AND GOING CONCERN**

Nevada Exploration Inc. (the “Company” or “NGE”) was incorporated on April 6, 2006 under the Canada Business Corporations Act and on February 5, 2015 the Company was incorporated pursuant to the British Columbia Business Corporation Act. The Company is in the business of acquiring and exploring mineral properties.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NGE” and on the OTCQB marketplace under the trading symbol “NVDEF”. The Company’s head office is located at Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company’s registered and records office is located at 700 West Georgia St., 25<sup>th</sup> Floor, Vancouver, BC V7Y 1B3.

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on September 25, 2023.

Continuance of operations and going concern

These condensed consolidated interim financial statements have been prepared on a going-concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically and recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The Company has not produced revenues from its exploration activities and does not have a regular source of cash flow. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. The Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards (“IFRS”) for complete financial statements for year-end reporting purposes. These condensed consolidated interim financial statements should be read in conjunction with the Company’s financial statements for the year ended April 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual audited consolidated financial statements as at and for the year ended April 30, 2023 as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**NEVADA EXPLORATION INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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July 31, 2023

**3. OTHER RECEIVABLES**

The accounts receivable for the Company are as follows:

	July 31, 2023	April 30, 2023
GST receivable	\$ 5,354	\$ 7,924

**4. PREPAID EXPENSES**

The prepaid expenses for the Company are as follows:

	July 31, 2023	April 30, 2023
Security deposit for rental of premises	\$ 32,118	\$ 28,591
Other prepaid services	14,000	-
	\$ 46,118	\$ 28,591

**5. RELATED PARTY TRANSACTIONS**

During the period ended July 31, 2023, the Company:

- i) paid or accrued \$22,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$15,000 in consulting fees to a director.
- iii) recorded share-based payments of \$3,661 related to the fair value of stock options vesting through the period to directors of the Company.
- iv) Received a total of \$264,000 in loans at varying dates from a consultant related to a director. Each loan has a term of six months, is unsecured, and accrues interest at a rate of 12% per annum. At July 31, 2023, the Company accrued \$16,440 in interest related to the loans.
- v) Austin American Corporation is a company with a common director (see Note 7).

During the period ended July 31, 2022, the Company:

- i) paid or accrued \$22,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$30,000 in consulting fees to a director and a company controlled by a director.
- iii) recorded share-based payments of \$35,141 related to the fair value of stock options vesting through the period to officers, directors, and a company controlled by a director.



**NEVADA EXPLORATION INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

July 31, 2023

**5. RELATED PARTY TRANSACTIONS (cont'd...)**

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

	July 31, 2023	April 30, 2023
Due to a corporation of which the Chief Financial Officer is an employee	\$ 94,500	\$ 70,875
Due to current and former key management	267,666	219,652
Due to officers, directors, and a consultant related to a director	137,843	118,000
	<u>\$ 500,009</u>	<u>\$ 408,527</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President and Chief Executive Officer.

Remuneration of current and former key management of the Company is as follows:

	Three Months Ended July 31, 2023	Three Months Ended July 31, 2022
Salaries and Consulting	\$ 45,000	\$ 67,315
Share-based payments	-	9,485
	<u>\$ 45,000</u>	<u>\$ 76,800</u>

**NEVADA EXPLORATION INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**6. EQUIPMENT AND INTANGIBLE ASSETS**

	Vehicles	Exploration Equipment	Software	Total
<b>Cost</b>				
Balance – April 30, 2022	\$ 62,269	\$ 241,160	\$ 60,000	\$ 363,429
Effect of translation	6,004	14,818	-	20,822
Balance – April 30, 2023	\$ 68,273	\$ 255,978	\$ 60,000	\$ 384,251
Effect of translation	(2,017)	(7,560)	-	(9,577)
Balance – July 31, 2023	\$ 66,256	\$ 248,418	\$ 60,000	\$ 374,674
<b>Accumulated amortization</b>				
Balance – April 30, 2022	\$ 62,269	\$ 118,437	\$ 24,000	\$ 204,706
Amortization	-	48,205	20,000	68,205
Effect of translation	6,004	8,607	-	14,611
Balance – April 30, 2023	\$ 68,273	\$ 175,249	\$ 44,000	\$ 287,522
Amortization	-	11,578	5,000	16,578
Effect of translation	(2,017)	(5,319)	-	(7,336)
Balance – July 31, 2023	\$ 66,256	\$ 181,508	\$ 49,000	\$ 296,764
<b>Carrying amounts</b>				
As at April 30, 2023	\$ -	\$ 80,729	\$ 16,000	\$ 96,729
As at July 31, 2023	\$ -	\$ 66,910	\$ 11,000	\$ 77,910

**7. RESOURCE PROPERTIES**

Resource properties expenditures for the period ended July 31,	2023	2022
South Grass Valley	\$ 19,185	\$ 601,350
Awakening	-	19,303
Other	-	33,864
	\$ 19,185	\$ 654,517

**South Grass Valley (SGV)**

As at July 31, 2023, the Company's South Grass Valley Project consists of unpatented mining claims held directly by the Company.

**North Grass Valley Project (NGV)**

As at July 31, 2023, the Company's North Grass Valley Project (formerly referred to as "Grass Valley") consists of unpatented mining claims held directly by the Company. Subsequent to July 31, 2023, the Company decided to relinquish the North Grass Valley claims (Note 15).

**NEVADA EXPLORATION INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

July 31, 2023

**7. RESOURCE PROPERTIES (cont'd...)****Kelly Creek (KC)**

The Company has combined its former Hot Pot Project into its Kelly Creek Project, the combination of which is now together referred to as the Kelly Creek Project.

As of July 31, 2023, the Company's Kelly Creek Project consists of:

- unpatented mining claims held directly by the Company;
- unpatented mining claims leased by the Company from Genesis Gold Corporation (Genesis") through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement); and
- private land leased by the Company under a Mining Lease Agreement (the "Hot Pot Lease").

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on December 29, 2014, August 25, 2015 and July 25, 2019, to acquire a 100% interest in the Genesis' Hot Pot claims. Under the Genesis Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (issued) and USD\$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments :

1 <sup>st</sup> anniversary (October 1, 2010)	\$	5,000 USD	(paid)
2 <sup>nd</sup> anniversary (October 1, 2011)		10,000 USD	(paid)
3 <sup>rd</sup> anniversary (October 1, 2012)		10,000 USD	(paid)
4 <sup>th</sup> anniversary (October 1, 2013)		10,000 USD	(paid)
5 <sup>th</sup> to 8 <sup>th</sup> anniversary (October 1, 2014 to October 1, 2017)		10,000 USD	i) & ii)
9 <sup>th</sup> anniversary (October 1, 2018)		50,000 USD	(paid)
10 <sup>th</sup> anniversary (October 1, 2019)		Nil	iii)
11 <sup>th</sup> to 13 <sup>th</sup> anniversaries (October 1, 2020 – October 1, 2022)		20,000 USD	iii) (paid by Austin as detailed below)
14 <sup>th</sup> and subsequent anniversaries (October 1 <sup>st</sup> annually)		50,000 USD	(as adjusted for inflation)

- i) During the year ended April 30, 2015, the Company issued 80,000 Common shares, plus agreed to pay \$10,000 USD to satisfy the October 1, 2014 payment (paid).
- ii) On August 25, 2015, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015 (paid); October 1, 2016 (paid); and October 1, 2017 (paid), from \$50,000 USD to \$10,000 USD, subject to each party's rights under the Genesis Agreement.
- iii) On July 25, 2019, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payment due on October 1, 2019 from \$50,000 USD to \$Nil. Additionally, the annual payments due October 1, 2020 to October 1, 2022 have been reduced from \$50,000 USD to \$20,000 USD, whereby the Company may elect to deliver up to half of this payment in common shares of the Company. The payments due October 1, 2020 and October 1, 2021 were paid by Austin.

The Company entered into the Hot Pot Lease on September 16, 2004, for an initial term of 10 years, as amended on May 29, 2009, September 2, 2011, February 25, 2016, February 16, 2017, and June 8, 2020. Any mineral production on the project is subject to a 3% Net Smelter Return Royalty (the "NSR") to the property owner, subject to the Company's right to reduce the Royalty from 3% to 2% for \$2,000,000 USD. Under the February 25, 2016, amendment, the term of the Hot Pot Lease was extended to 20 years, until September 16, 2024. Under the February 16, 2017, amendment, additional lands were added to the Hot Pot Lease, subject to the following payments:

**NEVADA EXPLORATION INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

July 31, 2023

**7. RESOURCE PROPERTIES (cont'd...)****Kelly Creek (KC) (cont'd...)**

Amendment Date (February 16, 2017)	\$	5,000 USD (paid)
September 16, 2017	\$	25,000 USD (paid)
October 8, 2018	\$	30,000 USD (paid)
September 16, 2019	\$	30,000 USD (paid)
September 16, 2020	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2021	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2022	\$	30,000 USD (paid by Austin as detailed below)
Subsequent Anniversaries (September 16 <sup>th</sup> annually)	\$	30,000 USD

On July 8, 2020, as amended March 3, 2021 and May 3, 2023, the Company entered into an Exploration and Option to Enter Joint Venture Agreement (the “Agreement”) with Austin American Corporation (“Austin”), for an earn in and joint venture agreement on its district-scale Kelly Creek Project (the “Project”) within the Kelly Creek Basin in north-central Nevada. Under the amended Agreement, Austin has the right to earn a 51% interest in the joint venture by spending \$2,500,000 by June 30, 2025, with the election to then earn an additional 19% by delivering a prefeasibility study.

During the Earn In, Austin will be the operator of the Project. Upon completing the Earn In, Austin has a one-time option to elect to earn an additional 19% interest in the joint venture, for a total of 70% (the “Additional Option”), by spending \$2,500,000 at any time, and by delivering a prefeasibility study prior to June 1, 2029. At the Company’s election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Austin will be obligated to provide the Company’s portion of any debt financing or arrange for third party financing of the Company’s portion of any debt financing required to construct a mine on the Project described in the feasibility study in consideration for the transfer by the Company to Austin of a 5% interest in the joint venture. If a party is diluted to a 10% interest in the joint venture, its interest will be converted to a 10% net profits interest.

On May 3, 2023, the Company announced that Austin Gold Corp., and Austin American Corporation (collectively “Austin”) have amended the terms of the Option to Joint Venture Agreement on the Kelly Creek Project, Humboldt County, Nevada. The amended terms state that Austin must spend a cumulative total of C\$2.5 million (down from C\$4.75 million previously) by June 30, 2025, to earn an initial 51% interest in the Kelly Creek Project. The amended terms also include a requirement to spend an additional C\$2.5 million (down from C\$4.5 million previously) with total expenditures of C\$5.0 million required for Austin to earn an additional 19% interest (for a total of 70%) in the Kelly Creek Project.

Austin must continue to pay the underlying property lease payments and BLM and county fees to keep the properties in good standing during the term of the agreement.

During the period ended July 31, 2023, Austin terminated certain leases and claim holdings within the Kelly Creek project, representing approximately 60% of the original claim holdings.

The majority of the Company’s mineral interests at Kelly Creek are subject to a 1.25% NSR to Royal Gold, Inc.

**Awakening (AW)**

As at July 31, 2023, the Company’s Awakening Project consists of unpatented mining claims held directly by the Company. (Note 15)

**NEVADA EXPLORATION INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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July 31, 2023

**8. DEPOSITS AND BONDS**

	July 31, 2023	April 30, 2023
Security deposits <sup>(1)</sup>	\$ 11,500	\$ 11,500
Reclamation bond deposits <sup>(2)</sup>	72,474	74,679
	<u>\$ 83,974</u>	<u>\$ 86,179</u>

(1) Security deposits consist of \$11,500 guaranteed investment certificate (“GIC”) and bearing interest at prime less 2% to a minimum of 0%. The GIC was used to secure the credit limit on a credit card.

(2) Reclamation bond deposits are required by the U.S. Bureau of Land Management (“BLM”) to ensure that any reclamation and clean-up work required on the Company’s properties will be completed to the satisfaction of the BLM.

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are as follows:

	July 31, 2023	April 30, 2023
Trade payables	\$ 283,676	\$ 191,735
Due to related parties (Note 5)	500,009	408,527
Accrued liabilities	43,688	33,784
Total	<u>\$ 827,373</u>	<u>\$ 634,046</u>

**10. ROYALTIES**

On September 1, 2022, the Company signed Royalty Agreements (collectively the “Royalty Agreements”) with Bronco Creek Exploration Inc, a wholly owned subsidiary of EMX Royalty Corporation (“EMX”).

Under the terms of the Royalty Agreements:

- i. The Company will sell a 2% net smelter return royalty (“NSR”) covering its current portfolio of Nevada gold projects (the “Royalty”) to EMX for a purchase price of \$500,000 USD.
- ii. The Company has the right to buy back half of EMX’s 2% NSR by purchasing a 0.5% NSR interest for \$1,000,000 any time prior to the 7<sup>th</sup> anniversary of the Agreement and then, if the first NSR interest is purchased, purchasing the second 0.5% NSR interest any time prior to production for \$1,500,000.
- iii. In the case that the Company options, farms out, or sells a project subject to the Royalty to a third party, such party shall be required to pay EMX annual advance royalties as follows: \$20,000 on the first anniversary, \$30,000 on the second anniversary, \$40,000 on the third anniversary, and \$50,000 on the fourth and subsequent anniversaries.
- iv. Subject to complying with notice provisions in the Royalty Agreements, the Company may abandon claims and such abandonment will not require payment of advance royalties.

## 11. CAPITAL STOCK

### a) Authorized share capital:

As at July 31, 2023, the authorized share capital of the Company was:

Unlimited number of common shares without par value;  
Unlimited number of preferred shares without par value; and  
All issued shares are fully paid.

### b) Issued share capital:

During the period ended July 31, 2023, the Company did not issue any shares.

Subsequent to July 31, 2023, the Company completed a non-brokered private placement offering (the “Offering”), pursuant to which it has issued 13,000,000 units (the “Units”) at a price of \$0.11 per Unit, for gross proceeds of \$1,430,000 (Note 15).

As at July 31, 2023, the Company had incurred \$15,044 in share issuance costs, and had received proceeds of \$57,200 related to the Offering.

During the year ended April 30, 2023, the Company:

- Issued 20,000 common shares upon the exercise of stock options. The price of the shares on the date of exercise was \$1.25.
- Completed a consolidation of its common shares on the basis of one (1) post consolidation common share for every twenty-five (25) pre-consolidation shares, effective February 15, 2023. All common shares, units, warrants, stock options, and per share amounts have been restated to reflect the share consolidation and per share amounts have been restated to reflect the share consolidation.

### c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company’s stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

In the absence of a reliable measurement of the services received from the consultants, the following stock option grants have been measured at the fair value of the stock options issued.

During the period ended July 31, 2023 the Company did not issue any stock options.

During the year ended April 30, 2023:

- 20,000 stock options were exercised.
- 140,740 stock options were forfeited.

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**11. CAPITAL STOCK (cont'd...)**

c) Options (cont'd...)

A Continuity of share purchase options for the period July 31, 2023 is as follows:

Expiry date	Exercise price	April 30, 2023	Granted	Exercised	Expired/ Forfeited/	July 31, 2023	Exercisable	
August 3, 2026	11.75	37,000	-	-	-	37,000	37,000	
March 11, 2027	2.50	60,000	-	-	-	60,000	60,000	
November 27, 2027	10.00	14,000	-	-	-	14,000	14,000	
October 1, 2028	6.50	51,000	-	-	-	51,000	51,000	
October 26, 2028	8.75	6,000	-	-	-	6,000	6,000	
February 21, 2029	7.50	10,000	-	-	-	10,000	10,000	
May 30, 2029	5.75	2,000	-	-	-	2,000	2,000	
October 31, 2029	4.50	8,000	-	-	-	8,000	8,000	
October 20, 2030	4.63	37,000	-	-	-	37,000	37,000	
December 23, 2030	3.25	10,000	-	-	-	10,000	10,000	
March 31, 2031	4.50	78,680	-	-	-	78,680	78,680	
December 9, 2031	2.50	42,000	-	-	-	42,000	28,000	
<b>Total</b>		<b>355,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>355,680</b>	<b>341,680</b>	
<b>Weighted average exercise price</b>	<b>\$</b>	<b>5.32</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>5.44</b>

A Continuity of share purchase options for the year ended April 30, 2023 is as follows:

Expiry date	Exercise price	April 30, 2022	Granted	Exercised	Expired/ Forfeited/	April 30, 2023	Exercisable		
August 3, 2026	11.75	50,000	-	-	(13,000)	37,000	37,000		
March 11, 2027	2.50	80,000	-	(20,000)	-	60,000	60,000		
November 27, 2027	10.00	14,000	-	-	-	14,000	14,000		
October 1, 2028	6.50	85,000	-	-	(34,000)	51,000	51,000		
October 26, 2028	8.75	6,000	-	-	-	6,000	6,000		
February 21, 2029	7.50	10,000	-	-	-	10,000	10,000		
May 30, 2029	5.75	2,000	-	-	-	2,000	2,000		
October 31, 2029	4.50	8,000	-	-	-	8,000	8,000		
October 20, 2030	4.63	61,000	-	-	(24,000)	37,000	37,000		
December 23, 2030	3.25	10,000	-	-	-	10,000	10,000		
March 31, 2031	4.50	138,420	-	-	(59,740)	78,680	55,120		
June 7, 2031	4.50	10,000	-	-	(10,000)	-	-		
December 9, 2031	2.50	42,000	-	-	-	42,000	28,000		
<b>Total</b>		<b>516,420</b>	<b>-</b>	<b>(20,000)</b>	<b>(140,740)</b>	<b>355,680</b>	<b>318,120</b>		
<b>Weighted average exercise price</b>	<b>\$</b>	<b>5.31</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>2.50</b>	<b>\$</b>	<b>5.67</b>	
						<b>\$</b>	<b>5.32</b>	<b>\$</b>	<b>5.51</b>

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**11. CAPITAL STOCK (cont'd...)**

d) Warrants

During the period ended July 31, 2023, 1,106,821 warrants expired without exercise.

During the year ended April 30, 2023, 411,666 warrants expired without exercise.

A continuity of share purchase warrants for the period ended July 31, 2023 is as follows:

Expiry date	Exercise Price	April 30, 2023	Issued	Exercised	Expired	July 31, 2023	Exercisable
June 23, 2023	4.50	1,106,821	-	-	(1,106,821)	-	-
December 16, 2023	3.25	76,929	-	-	-	76,929	76,929
December 16, 2023	5.00	1,461,539	-	-	-	1,461,539	1,461,539
<b>Total</b>		<b>2,645,289</b>	<b>-</b>	<b>-</b>	<b>(1,106,821)</b>	<b>1,538,468</b>	<b>1,538,468</b>
<b>Weighted average exercise price</b>		<b>\$ 4.74</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4.50</b>	<b>\$ 4.91</b>	<b>\$ 4.91</b>

A continuity of share purchase warrants for the year ended April 30, 2023 is as follows:

Expiry date	Exercise Price	April 30, 2022	Issued	Exercised	Expired	April 30, 2023	Exercisable
July 13, 2022 <sup>a</sup>	11.25	52,640	-	-	(52,640)	-	-
October 9, 2022 <sup>b</sup>	12.50	155,053	-	-	(155,053)	-	-
June 4, 2022	12.50	116,833	-	-	(116,833)	-	-
July 1, 2022	12.50	37,140	-	-	(37,140)	-	-
January 7, 2023	12.50	50,000	-	-	(50,000)	-	-
June 23, 2023	4.50	1,106,821	-	-	-	1,106,821	1,106,821
December 16, 2023	3.25	76,929	-	-	-	76,929	76,929
December 16, 2023	5.00	1,461,539	-	-	-	1,461,539	1,461,539
<b>Total</b>		<b>3,056,955</b>	<b>-</b>	<b>-</b>	<b>(411,666)</b>	<b>2,645,289</b>	<b>2,645,289</b>
<b>Weighted average exercise price</b>		<b>\$ 5.76</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12.34</b>	<b>\$ 4.74</b>	<b>\$ 4.74</b>

- a) On July 15, 2021, the Company received TSX Venture Exchange acceptance to extend the expiry date of 52,640 warrants to July 13, 2022 from July 13, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 0.995 years, expected volatility of 89.32%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$31,380 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.
- b) On July 15, 2021 the Company received TSX Venture Exchange acceptance to extend the expiry date of 155,053 warrants to October 9, 2022 from October 9, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.24 years, expected volatility of 89.68%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$117,144 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.



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**12. SEGMENTED INFORMATION**

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	July 31, 2023	April 30, 2023
Current assets:		
United States	\$ 32,300	\$ 31,673
Canada	77,544	15,365
	<u>\$ 109,844</u>	<u>\$ 47,038</u>
Non-current assets:		
United States		
Equipment and intangible assets	\$ 66,910	\$ 80,729
Deposits and bonds	72,474	74,679
Canada		
Equipment and intangible assets	11,000	11,500
Deposits and bonds	11,500	16,000
	<u>\$ 161,884</u>	<u>\$ 182,908</u>

**13. FINANCIAL RISK MANAGEMENT****Fair value**

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 or 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.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short-term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash and cash equivalents, other receivables, deposits and bonds, finance lease obligations, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

**Financial risk factors**

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

*Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and deposits and bonds. Management believes that the credit risk concentration with respect to cash and cash equivalents, deposits and bonds is remote as it maintains accounts with highly rated financial institutions.

13. FINANCIAL RISK MANAGEMENT (cont'd)

*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 manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at July 31, 2023, the Company had a cash and cash equivalent balance of \$58,372 (April 30, 2023 - \$10,523) to settle current liabilities of \$1,167,513 (April 30, 2023 - \$892,510). The Company will need to raise additional funds to meet its obligations as they come due. (Note 15)

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents, deposits and bonds and on the Company's finance lease obligations are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Net assets denominated in foreign currency and the Canadian dollar equivalents as at July 31, 2023 are as follows:

	USD	CDN
Current assets	\$ 24,512	\$ 32,300
Non-current assets	105,778	139,384
Current liabilities	(195,322)	(257,376)
	\$ (65,032)	\$ (85,692)

Based on the above net exposures as at July 31, 2023, and assuming all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of \$8,569 in comprehensive loss.

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**14. CAPITAL MANAGEMENT**

In order to maintain its capital structure, the Company is dependent on equity funding and, when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and share purchase warrants, as well as incentive stock options. In the management of capital, the Company includes the components of equity as well as cash and cash equivalents.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended July 31, 2023.

**15. EVENTS AFTER THE REPORTING PERIOD**

On August 16, 2023, the Company announced that it completed a non-brokered private placement offering (the "Offering"), pursuant to which it has issued 13,000,000 units (the "Units") at a price of \$0.11 per Unit, for gross proceeds of \$1,430,000.

Each Unit consists of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of C\$0.20 per Common Share for 36 months after the date of issuance (the "Closing Date"). If after four months plus one day from the Closing Date the closing price (or closing bid price on days when there are no trades) of NGE's common shares is greater than C\$0.40 per share for 10 consecutive trading days, NGE may accelerate the expiry date of the Warrants to the 30th day after the date on which NGE gives notice to the Warrant holders of such acceleration, with such notice being the issuance of a news release by the Company announcing the acceleration of the expiry date.

In connection with the Offering, the Company paid finder's fees totaling \$20,405 in cash and 185,500 in finder's warrants, with each finder warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of \$0.20 per Common Share for 36 months. If after four months plus one day from the Closing Date the closing price (or closing bid price on days when there are no trades) of NGE's common shares is greater than C\$0.40 per share for 10 consecutive trading days, NGE may accelerate the expiry date of the Warrants to the 30th day after the date on which NGE gives notice to the Warrant holders of such acceleration, with such notice being the issuance of a news release by the Company announcing the acceleration of the expiry date. All securities issued are subject to a four month plus one day hold period expiring December 17, 2023, as well as to any other re-sale restrictions imposed by applicable securities regulatory authorities.

Subsequent to period end, the Company completed the payment of annual maintenance fees to the US Bureau of Land Management for certain claims covering priority drill targets at its Nevada properties. In total 862 of what the Company considers to be the most prospective claims have been retained and the remaining 1,534 have been relinquished, including all North Grass Valley Claims. The most prospective claims at the Company's flagship South Grass Valley Project have been retained, together with the most prospective claims at Bottle Creek and Awakening Projects. In addition, the Company has retained certain claims at the Kelly Creek Project previously relinquished by its Joint Venture partner Austin Gold Corp. Nevada Exploration continues to hold a dominant land position in the region.