THESIS GOLD INC.

(formerly Benchmark Metals Inc.)

Consolidated Condensed Interim Financial Statements

For the three and six months ended August 31, 2023 and 2022

Expressed in Canadian Dollars

(Unaudited)

To the shareholders of Thesis Gold Inc. *(formerly Benchmark Metals Inc.)*:

The consolidated condensed interim financial statements of Thesis Gold Inc. *(formerly Benchmark Metals Inc.)* (the "Company") for the three and six months ended August 31, 2023 and 2022 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors

Expressed in Canadian Dollars (unaudited)

	August 31, 2023	**February 28, 2023**
ASSETS		
Current		
Cash	**$ 24,031,380**	$ 17,198,551
Short-term investment	**10,000**	10,000
Goods and services tax credit receivable	**1,057,022**	57,782
Mineral exploration tax credit receivable	**1,234,625**	9,699,226
Other receivable	**142,486**	110,896
Prepaid expenses and deposits	**1,127,471**	622,924
	27,602,984	27,699,379
Equipment (note 7)	**837,241**	856,362
Exploration and evaluation assets (note 4)	**151,340,710**	99,549,763
Reclamation bonds (note 11)	**1,698,457**	1,388,457
Right-of-use asset (note 9)	**81,890**	122,834
	$ 181,561,282	$ 129,616,795
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	**$ 11,095,220**	$ 629,044
Deferred flow-through liability (note 10)	**-**	723,190
Current portion of lease liability (note 9)	**73,451**	93,233
	11,168,671	1,445,467
Asset retirement obligation (note 11)	**1,420,670**	958,370
Deferred taxes	**14,286,099**	13,466,912
Long-term portion of lease liability (note 9)	**-**	22,001
	26,875,440	15,892,750
EQUITY		
Share capital (note 5)	**169,461,794**	128,723,496
Option and warrant reserves (note 5)	**17,325,873**	15,538,515
Deficit	**(32,101,825)**	(30,537,966)
	154,685,842	113,724,045
	$ 181,561,282	$ 129,616,795

Subsequent events (note 13)

Authorized for issuance on behalf of the Board on October 30, 2023:

Director (signed by) *"Thomas Mumford"*

Director (signed by) *"Ewan Webster"*

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

Expressed in Canadian Dollars (unaudited)

For the	three months ended August 31 2023	three months ended August 31 2022	six months ended August 31 2023	six months ended August 31 2022
Expenses				
Exploration expenses	**$ 6,960**	$ -	**$ 8,123**	$ -
Marketing and investor relations expenses	**210,333**	269,365	**489,203**	1,750,668
Management and consulting fees (note 8)	**1,183,720**	107,118	**1,440,720**	211,604
Office and administration	**57,121**	103,204	**131,582**	228,109
Professional fees (note 3)	**(107,006)**	38,412	**102,906**	66,798
Regulatory and filing fees	**11,863**	8,914	**45,316**	13,108
Share-based compensation	**-**	739	**-**	14,769
	(1,362,991)	(527,752)	**(2,217,850)**	(2,285,056)
Other				
Interest income	**553,808**	62,827	**749,988**	118,885
Settlement of flow-through liability (note 10)	**580,923**	1,298,801	**723,190**	3,388,176
Net income (loss) before taxes	**(228,260)**	833,876	**(744,672)**	1,222,005
Deferred income tax expense	**(1,026,445)**	(3,332,550)	**(819,187)**	(3,332,550)
Net loss and comprehensive loss	**$ (1,254,705)**	$ (2,498,674)	**$ (1,563,859)**	$ (2,110,545)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.01)	**$ (0.02)**	$ (0.01)
Basic and diluted weighted average number of common shares outstanding	**103,521,956**	**-** 206,939,658	**100,601,924**	206,906,506

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

Expressed in Canadian Dollars (unaudited)

	Number of shares		Share capital		Option and Warrant reserve		Deficit		Total equity
Balance at February 28, 2022	**79,566,594**	**$**	**110,660,512**	**$**	**15,082,225**	**$**	**(25,673,149)**	**$**	**100,069,588**
Shares issued for cash	38,462		38,000		(18,000)		-		20,000
Share issuance costs	-		(65)		-		-		(65)
Share-based payments	-		-		14,769		-		14,769
Comprehensive loss	-		-		-		(2,110,545)		(2,110,545)
Balance at August 31, 2022	**79,605,056**	**$**	**110,698,447**	**$**	**15,078,994**	**$**	**(27,783,694)**	**$**	**97,993,747**
Shares issued for cash	18,108,576		21,025,954		(176,190)		-		20,849,764
Deferred flow-through liability	-		(1,185,558)		-		-		(1,185,558)
Share issuance costs	-		(1,479,636)		-		-		(1,479,636)
Finders warrants issued	-		(335,711)		335,711		-		-
Share-based payments	-		-		300,000		-		300,000
Comprehensive loss	-		-		-		(2,754,272)		(2,754,272)
Balance at February 28, 2023	**97,713,632**	**$**	**128,723,496**	**$**	**15,538,515**	**$**	**(30,537,966)**	**$**	**113,724,045**
Shares issued for cash	192,308		152,500		(72,500)		-		80,000
Shares issued for exploration and evaluation assets	65,060,071		40,597,484		1,859,858		-		42,457,342
Share issuance costs	-		(11,686)		-		-		(11,686)
Comprehensive loss	-		-		-		(1,563,859)		(1,563,859)
Balance at August 31, 2023	**162,966,011**	**$**	**169,461,794**	**$**	**17,325,873**	**$**	**(32,101,825)**	**$**	**154,685,842**

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

Expressed in Canadian Dollars (unaudited)

For the six months ended	**August 31, 2023**	**August 31, 2022**
Cash provided by (used in):		
Operating activities		
Net loss for the period	**$ (1,563,859)**	$ (2,110,545)
Items not effecting cash:		
Deferred taxes	**819,187**	3,332,550
Share-based payments (notes 5)	**-**	14,769
Settlement of deferred flow-through liability	**(723,190)**	(3,388,176)
	(1,467,892)	(2,151,402)
Changes in non-cash working capital:		
Amounts receivable	**8,433,011**	(631,825)
Goods and services tax receivable	**(999,240)**	240,741
Prepaid expenses and deposits	**(504,547)**	229,138
Accounts payable and accrued liabilities	**5,122,386**	(4,359,200)
Cash provided by (used in) operating activities	**10,583,748**	(6,672,548)
Investing activities		
Acquisition of subsidiary	**8,255,729**	-
Exploration and evaluation assets expenditures	**(12,074,962)**	(18,282,149)
Purchase of reclamation deposit	**-**	(552,336)
Purchase of equipment	**-**	(348,191)
Cash used in investing activities	**(3,819,233)**	(19,146,676)
Financing activities		
Share issuance costs	**(11,686)**	(65)
Proceeds from exercise of options	**80,000**	20,000
Cash provided by financing activities	**68,314**	19,935
Net increase (decrease) in cash	**6,832,829**	(25,799,289)
Cash – beginning of period	**17,198,551**	31,484,044
Cash – end of period	**$ 24,031,380**	$ 5,684,755
Non-cash transactions and supplemental disclosures		
Share issued for exploration and evaluation assets	$ 40,597,485	-
Options and warrants issued for exploration and evaluation assets	$ 1,859,858	-

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

1. Nature of operations

Thesis Gold Inc. *(formerly Benchmark Metals Inc.)* ("Thesis" or the "Company") was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol "TAU". The Company's head office is located at 10545 – 45 Avenue NW, 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9. The principal business of the Company is the identification, acquisition, exploration and evaluation of mineral properties.

Effective August 24, 2023, the Company consolidated its issued and outstanding common shares on a basis of one (1) post-consolidation common share for every two and six-tenths (2.6) pre-consolidation shares (the "Share Consolidation"). As a result of the Share Consolidation, the number of shares, warrants and options presented in these financial statements and the calculated weighted average number of common shares issued and outstanding for the purpose of earning per share calculation are based on post-consolidation shares for all periods presented.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Board of Directors of the Company on October 30, 2023.

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries PPM Phoenix Precious Metals Corp ("PPM") and Thesis Gold (Holdings) Inc. ("Thesis Holdings"). All intercompany transactions and balances have been eliminated from the date of acquisition of control.

Name of Subsidiary	**Proportion of Ownership Interest**	**Principal Activity**
PPM Phoenix Precious Metals Corp.	100%	Holds mineral interest in BC
Thesis Gold (Holdings) Inc.	100%	Hold mineral interest in BC

These consolidated financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

3. Acquisition of Thesis Holdings

On August 23, 2023, the Company completed the acquisition of Thesis Holdings pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia) (the "Transaction"). Under the terms of the Transaction, the Company acquired all of the outstanding shares of Thesis Holdings (the "Thesis Shares"). Thesis Holdings shareholders received 2.5584 of a common share of the Company (each whole share, a "Company Share") for each Thesis Share held (the "Exchange Ratio"). As a result of this transaction, Thesis Holdings became a wholly owned subsidiary and the Company acquired a 100% interest in the Ranch Property.

Thesis Holdings is an exploration stage, with no significant operations, no processes or outputs, and no demonstrated technical feasibility or commercial viability of the project. Consequently, the Company has accounted for its acquisition of Thesis Holdings as an asset acquisition, whereby acquired assets and liabilities assumed are measured at their fair values at the acquisition date unless they are not readily measurable, in which case the fair value of the share-based payments and other consideration is used. No goodwill is recognized; and acquisition-related costs are capitalized to the assets.

Expressed in Canadian Dollars

3. Acquisition of Thesis Holdings (continued)

The amounts shown below represent relative fair value of net assets on the effective date of the Transaction, which was August 23, 2023.

Purchase consideration:	
Shares issued in exchange for Thesis Holdings Shares (i)	$ 40,597,485
Options and warrants issued in exchange for Thesis Holdings options and warrants (ii)	1,859,858
Other transaction costs (iii)	1,788,617
	$ 44,245,960
Assets acquired:	
Cash	$ 8,255,729
Other current assets	985,106
Reclamation bonds	310,000
Mineral interest - Ranch project (note 4)	39,223,880
	48,774,715
Less: liabilities assumed:	
Accounts payable and accrued liabilities	(4,528,756)
Total Purchase consideration	**$ 44,245,960**

(i) For accounting purposes, 65,060,071 the common shares issued were recorded at $0.624 per common share, representing the Company's share price on the date of issuance.

(ii) 6,027,987 warrants and options were issued with fair values $0 and 0.41 per option or warrant.

(iii) In addition to the common shares issued in consideration for the acquisition of Thesis Holdings, the Company incurred costs totaling $1,788,617. These costs were incurred in the process of the acquisition and include fees relating to accounting, consulting and legal fees.

4. Exploration and evaluation assets

Lawyers Property in British Columbia, Canada

On September 18, 2019, the Company acquired 100% of the Lawyers' Property through the acquisition of PPM Phoenix Precious Metals Corp. ("PPM"). The Lawyers Property is situated 45 km northwest of the former Kemess South open pit copper-gold mine in the Toodoggone region of the Omineca Mining Division of British Columbia and consists of 46 contiguous mineral claims. The claims cover approximately 14,392 hectares of land that encompass the Lawyers group of prospects, including the former Cheni underground gold-silver mine, Cliff Creek, Dukes Ridge, and Phoenix, and the Silver Pond group of prospects that cover six gold-silver mineral occurrences. Nine of these mineral claims, covering approximately 4,532 hectares, are not subject to royalties.

Expressed in Canadian Dollars

4. Exploration and evaluation assets (continued)

Total costs incurred on the Lawyers Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2023	**$ 5,552,828**	**$ 93,996,935**	**$ 99,549,763**
Fieldwork	-	2,125,278	2,125,278
Geology	-	70,731	70,731
Drilling	-	3,935,159	3,935,159
Engineering	-	377,532	377,532
Environmental	-	2,190,231	2,190,231
Assay	-	256,389	256,389
Amortization	-	19,122	19,122
Permits	-	220,356	220,356
Travel and support	-	171,046	171,046
Community relations	-	404,038	404,038
Road maintenance	-	1,880,990	1,880,990
Reclamation	-	152,300	152,300
Balance, August 31, 2023	**$ 5,552,828**	**$ 105,800,105**	**$ 111,352,933**

Ranch Property in British Columbia, Canada

On August 23, 2023, the Company acquired the Ranch Gold property, a mineral exploration property comprised of 31 British Columbia mineral claims totaling 17,832 hectares in the Tooddogone Region of northern British Columbia.

Total costs incurred on the Ranch Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2023	**$ -**	**$ -**	**$ -**
Acquisition	39,223,880	-	39,223,880
Fieldwork	-	148,471	148,471
Geology	-	21,550	21,550
Drilling	-	546,171	546,171
Engineering	-	630	630
Travel and support	-	19,855	19,855
Community relations	-	7,123	7,123
Road maintenance	-	20,095	20,095
Balance, August 31, 2023	**$ 39,223,880**	**$ 763,895**	**$ 39,987,775**

Expressed in Canadian Dollars

5. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value.

A summary of changes in common share capital in the period is as follows:

	Number of shares		Amount
Balance, February 28, 2023	**97,713,632**	**$**	**128,723,496**
Shares issued for exploration and evaluation assets	65,060,071		40,597,484
Shares issued upon exercise of options	192,308		152,500
Share issuance costs	-		(11,686)
Balance, August 31, 2023	**162,966,011**	**$**	**169,461,794**

During the six months ended August 31, 2023, the Company issued 65,060,071 common shares for an acquisition of a subsidiary (notes 3 and 4).

On September 29, 2022, the Company completed the first tranche of a private placement of 10,200,000 non-flow through units at $1.10, and 5,997,192 flow-through units at $1.25, for gross proceeds of $18,622,896. Each unit consists of one common share of the Company and one-half of a transferable warrant of the Company. Each warrant is exercisable to purchase one additional share at an exercise price of $1.69 per share for a two-year period. The Company paid a cash commission of $1,117,374 and issued non-transferable agent warrants of the Company exercisable to purchase up to 2,526,762 shares at $0.42 per share for a two-year period.

On October 14, 2022, the Company completed the final tranche of a private placement of 1,602,539 flow-through units at $1.248, for gross proceeds of $1,999,968. Each unit consists of one common share of the Company and one-half of a transferable warrant of the Company. Each warrant is exercisable to purchase one additional share at an exercise price of $1.69 per share for a two-year period. The Company paid a cash commission of $119,998 and issued non-transferable agent warrants of the Company exercisable to purchase up to 249,996 shares at $1.10 per share for a two-year period.

Expressed in Canadian Dollars

5. Share capital (continued)

b) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2023	17,004,832	$2.55
Issued	548,147	2.65
Balance, August 31, 2023	**17,552,979**	**$ 2.56**

A summary of the warrants outstanding and exercisable is as follows:

August 31, 2023			February 28, 2023		
Exercise Price	**Number of warrants**	**Remaining contractual life (years)**	**Exercise Price**	**Number of warrants**	**Remaining contractual life (years)**
$ 4.03	6,180,000	0.3	$ 4.03	6,180,000	0.8
2.60	741,600	0.3	2.60	741,600	0.8
2.65	548,147	0.5	-	-	-
3.38	115,384	0.9	3.38	115,384	1.4
1.69	8,098,596	1.1	1.69	8,098,596	1.6
1.09	971,831	1.1	1.09	971,831	1.6
1.69	801,269	1.1	1.69	801,269	1.6
1.09	96,152	1.1	1.09	96,152	1.6
$ 2.56	**17,552,979**	**0.7**	**$ 2.55**	**17,004,832**	**1.2**

c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

Expressed in Canadian Dollars

5. Share capital (continued)

c) Stock options (continued)

A summary of stock option activity in the period is as follows:

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2023	**7,991,308**	**$ 2.09**
Issued	5,471,040	1.35
Exercised	(192,308)	0.42
Expired	(115,383)	3.73
Outstanding options, August 31, 2023	**13,154,657**	**$ 1.80**

On April 14, 2022, the Company granted incentive stock options, for the option to purchase up to 50,000 common shares. The options are exercisable at a price of $1.10 per common share, for a period of one year. The estimated fair value of these options of $9,500, or $0.19 per option, has been recorded as share-based payment expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $1.00; expected life, 1 year; expected volatility, 54.97%; risk-free rate 2.16%; expected dividends, 0%.

For the six months ended August 31, 2023, the Company recognized share-based payment expense of $14,769 for options granted and vested in prior periods.

A summary of the options outstanding is as follows:

August 31, 2023			February 28, 2023		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
$ -	-	-	$ 0.416	192,308	0.4
0.52	168,459	0.3	0.52	168,459	0.8
0.78	38,461	0.9	0.78	38,461	1.4
0.78	2,390,377	1.6	0.78	2,390,377	2.1
3.38	461,535	2.4	3.38	461,535	2.9
-	-	-	3.90	96,153	0.2
2.99	1,780,759	2.8	2.99	1,780,759	3.3
3.38	26,731	0.04	3.38	26,731	0.6
2.86	2,432,681	3.4	2.86	2,432,681	3.9
-	-	-	2.86	19,230	0.1
1.09	384,614	4.1	1.09	384,614	4.6
1.62	98,400	0.7	-	-	-
0.49	1,869,600	2.2	-	-	-
1.27	600,240	2.7	-	-	-
1.32	1,279,200	3.1	-	-	-
2.39	1,623,600	3.6	-	-	-
$ 1.80	**13,154,657**	**2.7**	**$ 2.11**	**7,991,308**	**3.0**

6. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk as low, but acknowledges this may change in the future.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

6. Financial instruments and risk management (continued)

Commodity price risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum credit risk at August 31, 2023 is equal to the total of the carrying values of cash, short-term investment and other receivable. The Company has assessed its exposure to credit risk on its cash and short-term investment and has determined that such risk is minimal. All of the Company's cash and its short-term investment are held with a financial institution in Canada. The Company has assessed its exposure to credit risk on its other receivable and has determined that such risk is low.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

As at August 31, 2023, all of the Company's account payable and accrued liabilities of $11,095,220 and $73,451 of lease liabilities are due within one year.

Determination of fair value

The statement of financial position carrying amounts for other receivable and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: unobservable inputs for the asset or liability.

Expressed in Canadian Dollars

6. Financial instruments and risk management (continued)

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at August 31, 2023:

Asset:	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 16,128,137	-	-	$ 16,128,137
Short-term investment	$ 10,000	-	-	$ 10,000

As at February 28, 2023:

Asset:	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 17,198,551	-	-	$ 17,198,551
Short-term investment	$ 10,000	-	-	$ 10,000

7. Equipment

	Camp equipment
Balance, February 28, 2023	**$ 856,362**
Depreciation	(19,121)
Balance, August 31, 2023	**$ 837,241**

During the six months ended August 31, 2023, the Company capitalized $19,121 (2022 - $24,270) in depreciation to mineral properties.

8. Related party transactions and balances

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the six months ended	**August 31, 2023**	**August 31, 2022**
Management fees paid to companies controlled by officers and a director	**$ 104,500**	$ -
Management fees paid to companies controlled by former officers and a director	**210,000**	205,000
Consulting fees paid to companies controlled by a officer and former officer - capitalized to exploration and evaluation assets	**8,000**	105,000
Termination fees paid to former officers	**840,000**	-
Director and special committee fees	**204,000**	-
	$ 1,366,500	$ 310,000

Expressed in Canadian Dollars

8. Related party transactions and balances (continued)

Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

For the six months ended	August 31, 2023	August 31, 2022
Short term benefits	**$ 526,500**	$ 310,000
Termination benefits	**840,000**	-
	$ 1,366,500	$ 310,000

At August 31, 2023, accounts payable and accrued liabilities include $32,315 (February 28, 2023 - $9,261) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

9. Right-of-use asset and lease liability

As at August 31, 2023 the Company was lessee to a premises lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

(a) Right-of-Use Assets

The continuity of right-of-use assets is as follows:

As at February 28, 2023	$ 204,723
Depreciation	(81,889)
As at February 28, 2023	$ 122,834
Depreciation	(40,944)
As at August 31, 2023	$ 81,890

(b) Lease Liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	August 31, 2023	August 31, 2022
Undiscounted minimum lease payments:		
Less than one year	**$ 78,404**	$ 95,027
Two years	**-**	78,404
	78,404	173,341
Effect of discounting	**(4,953)**	(18,443)
Present value of minimum lease payments	**73,451**	154,988
Less current portion	**(73,451)**	(88,705)
Long-term portion	**$ -**	$ 66,283

Expressed in Canadian Dollars

9. Right-of-use asset and lease liability (continued)

(c) Lease Liability Continuity

The lease liability continuity is as follows:

As at February 28, 2022	$	184,145
Principal repayments		(68,911)
As at February 28, 2023	$	115,234
Principal repayments		(41,783)
As at August 31, 2023	$	73,451

10. Deferred flow-through liability

During the year ended February 28, 2023, the Company issued 19,759,300 flow-through shares for gross proceeds of $9,484,464 and recognized a deferred flow-through liability of $1,185,558, non-cash, which is the difference between the fair market value of the underlying common shares and the amount the investor paid for the flow-through units. During the year ended February 28, 2023, the Company spent 39% of the flow-through proceeds and recognized a partial settlement of the same percentage of the related deferred flow-through liability as other income. As at August 31, 2023, the Company had satisfied the remaining 61% of flow-through spending obligation. Therefore, $723,190 of the deferred flow-through liability was settled and recognized in other income during the six-month ended August 31, 2023.

11. Asset retirement obligation

As at August 31, 2023, the Company recognized an asset retirement obligation in the amount of $1,110,670 (February 28, 2022 - $958,370) in connection with its Lawyers Property (note 3) and $310,000 in connection with its Ranch Property. In order to obtain a mineral exploration permit, the Company was required to place a total of $1,388,457 in reclamation bonds with the Ministry of Energy, Mines and Petroleum Resources of the Province of British Columbia.

Balance, February 28, 2023	**$**	**958,370**
Additions		462,300
Balance, August 31, 2023	**$**	**1,420,670**

12. Capital management

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 sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at August 31, 2023, the Company considers the aggregate of its share capital, reserves and deficit as capital. 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 common shares or dispose of assets or adjust the amount of cash on hand.

13. Subsequent events

Subsequent to the six months ended August 31, 2023, the Company completed a private placement for 6,818,500 flow-through common shares (the "FT Shares") at $0.93 per FT Share and 4,267,000 premium flow-through common shares at $1.13 ("Premium FT Share", together with the FT Shares, the "Flow-Through Shares"). The Company received aggregate gross proceeds of $11,162,915 from the two tranches of the offering.

Pursuant to an agency agreement (the "Agency Agreement") among the Company and a syndicate of agents led by Clarus Securities Inc. and including PI Financial Corp. and Cormark Securities Inc. (the "Agents"), the Company, under the two tranches of the Offering and paid the Agents an aggregate cash commission of $669,775 representing 6% of the gross proceeds raised; and issued to the Agents 665,130 broker warrants each entitling the holder to acquire one non-flow-through common share of the Company at a price of $1.13 per share at any time for a period of 24 months from the closing date of each tranche.