



**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE-MONTH PERIODS ENDED  
SEPTEMBER 30, 2023 AND 2022**

NOTICE OF AUDITOR REVIEW OF 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 Company's interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed 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 the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

"Ken Booth"

Chief Executive Officer

Martin Nicoletti

Chief Financial Officer

November 28, 2023

**Gitennes Exploration Inc.**

**Statements of financial position**

*In Canadian Dollars*

|                                                                        | September<br>30, 2023 | December 31,<br>2022 |
|------------------------------------------------------------------------|-----------------------|----------------------|
|                                                                        | (Unaudited)           | (Audited)            |
| <b>ASSETS</b>                                                          |                       |                      |
| <b>Current</b>                                                         |                       |                      |
| Cash                                                                   | \$ 16,842             | \$ 86,436            |
| Accounts receivable                                                    | 29,799                | 119,459              |
| Prepaid expenses                                                       | 1,831                 | 2,413                |
| Reclamation Bonds                                                      | 25,500                | 25,500               |
|                                                                        | <u>73,972</u>         | <u>233,808</u>       |
| <b>Non-current</b>                                                     |                       |                      |
| Marketable securities in quoted mining exploration company<br>(Note 5) | 6,250                 | 11,250               |
|                                                                        | <u>\$ 80,222</u>      | <u>245,058</u>       |
| <b>LIABILITIES</b>                                                     |                       |                      |
| <b>Current</b>                                                         |                       |                      |
| Accounts payable and accrued liabilities (Notes 8 and 9)               | \$ 298,338            | \$ 215,801           |
| <b>SHAREHOLDERS' EQUITY</b>                                            |                       |                      |
| <b>Share Capital</b> (Note 6a)                                         | 37,347,771            | 37,140,271           |
| <b>Contributed Surplus</b>                                             | 2,414,837             | 2,409,033            |
| <b>Other comprehensive loss</b>                                        | (6,250)               | (1,250)              |
| <b>Deficit</b>                                                         | <u>(39,974,474)</u>   | <u>(39,518,797)</u>  |
|                                                                        | <u>(218,116)</u>      | <u>29,257</u>        |
|                                                                        | <u>\$ 80,222</u>      | <u>\$ 245,058</u>    |

**Nature of Operations and Going Concern** (Note 1)

**Subsequent Event** (Note 14)

ON BEHALF OF THE BOARD:

"Ken Booth", Director  
Ken Booth

"Robert Matthews", Director  
Robert Matthews

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

Gitennes Exploration Inc.

# Statements of loss and Comprehensive Loss

For the nine-months periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

|                                                    | For the Three Months Ended<br>September 30 |               | For the Nine Months Ended<br>September 30 |                |
|----------------------------------------------------|--------------------------------------------|---------------|-------------------------------------------|----------------|
|                                                    | 2023                                       | 2022          | 2023                                      | 2022           |
| <b>Expenses</b>                                    | \$                                         | \$            | \$                                        | \$             |
| Accounting and audit                               | 17,600                                     | 15,000        | 47,600                                    | 61,139         |
| Consulting                                         | -                                          | -             | -                                         | 24,555         |
| Depreciation                                       | -                                          | 126           | -                                         | 374            |
| Exploration and evaluation (Note 7)                | 34,000                                     | 51,106        | 316,846                                   | 415,489        |
| Legal                                              | 8,066                                      | 18,706        | 13,313                                    | 19,125         |
| Management fees                                    | 10,000                                     | -             | 25,000                                    | 30,000         |
| Office, rent and miscellaneous                     | 4,428                                      | 6,905         | 28,735                                    | 22,067         |
| Promotion and public relations                     | -                                          | 18,904        | -                                         | 56,053         |
| Share-based compensation                           | -                                          | -             | 5,804                                     | 17,521         |
| Shareholder information                            | -                                          | 242           | 105                                       | 1,972          |
| Stock exchange and filing fees                     | -                                          | 1,469         | 10,942                                    | 8,882          |
| Transfer agent                                     | 1,946                                      | 1,899         | 4,959                                     | 4,712          |
| Travel                                             | -                                          | 114           | 2,374                                     | 563            |
| <b>Loss before income taxes</b>                    | 76,040                                     | 114,470       | 455,677                                   | 662,452        |
| Deferred income tax recovery (Notes 3a)            | -                                          | (15,000)      | -                                         | (94,360)       |
| <b>Comprehensive Loss for the Period</b>           | \$ 76,040                                  | \$ 99,470     | \$ 455,677                                | \$ 568,092     |
| <b>Other comprehensive revenue (loss)</b>          |                                            |               |                                           |                |
| Unrealized revenue (loss) on marketable securities | 2,500                                      | -             | (6,250)                                   | -              |
| <b>Loss and comprehensive loss for the period</b>  | <b>73,540</b>                              | <b>99,470</b> | <b>461,926</b>                            | <b>568,092</b> |
| <b>Loss per Share – Basic and Diluted</b>          | \$ 0.002                                   | \$ 0.002      | \$ 0.008                                  | \$ 0.01        |
| <b>Weighted-Average Number of Shares</b>           |                                            |               |                                           |                |
| <b>Outstanding – Basic and Diluted</b>             | 64,212,968                                 | 56,027,122    | 59,360,026                                | 56,177,122     |

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

**Gitennes Exploration Inc.**  
**Consolidated Statements of Changes in Shareholders' Equity**  
**For the nine-months periods ended September 30, 2023 and 2022**  
*(Unaudited, in Canadian Funds)*

|                                                            | Share Capital<br>(Note 3a) | Contributed<br>Surplus | Other<br>Comprehensive<br>Loss | Deficit      | Total     |
|------------------------------------------------------------|----------------------------|------------------------|--------------------------------|--------------|-----------|
|                                                            | \$                         | \$                     | \$                             | \$           | \$        |
| Balance – January 1, 2023                                  | 37,140,271                 | 2,409,033              | (1,250)                        | (39,518,797) | 29,257    |
| Shares issued for mining property<br>acquisition (Note 6a) | 207,500                    | -                      | -                              | -            | 207,500   |
| Share-based compensation (Note 3c)                         | -                          | 5,804                  | -                              | -            | 5,804     |
| Comprehensive loss for the period                          | -                          | -                      | -                              | (455,676)    | (455,676) |
| Other comprehensive loss                                   | -                          | -                      | (5,000)                        | -            | (5,000)   |
| Balance – September 30, 2023                               | 37,347,771                 | 2,414,837              | (6,250)                        | (39,974,474) | (218,116) |

|                                   | Share Capital<br>(Note 3a) | Contributed<br>Surplus | Other<br>Comprehensive<br>Loss | Deficit      | Total     |
|-----------------------------------|----------------------------|------------------------|--------------------------------|--------------|-----------|
|                                   | \$                         | \$                     | \$                             | \$           | \$        |
| Balance – January 1, 2022         | 37,137,271                 | 2,391,512              | -                              | (38,935,779) | 593,004   |
| Shares issued for mining property | 3,000                      | -                      | -                              | -            | 3,000     |
| Share-based compensation          | -                          | 17,521                 | -                              | -            | 17,521    |
| Comprehensive loss for the period | -                          | -                      | -                              | (568,091)    | (568,091) |
| Balance – September 30, 2022      | 37,140,271                 | 2,409,033              | -                              | (39,503,870) | 45,434    |

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

**Gitennes Exploration Inc.**

**Consolidated Statements of Cash Flows**

*(Unaudited, in Canadian dollars)s*

|                                                                     | For the Nine Months Ended |                       |
|---------------------------------------------------------------------|---------------------------|-----------------------|
|                                                                     | September 30,<br>2023     | September 30,<br>2022 |
| <b>Cash Flows from Operating Activities</b>                         |                           |                       |
| Loss for the period                                                 | \$ (455,676)              | \$ (568,092)          |
| Items not involving cash                                            |                           |                       |
| Deferred income tax recovery                                        | -                         | (94,360)              |
| Share-based compensation                                            | 5,804                     | 17,521                |
| Shares issued for mining asset acquisition                          | 207,500                   | 3,000                 |
| Depreciation                                                        | -                         | 374                   |
| Changes in non-cash working capital items                           |                           |                       |
| Accounts receivable                                                 | 89,660                    | (44,347)              |
| Prepaid expenses                                                    | 582                       | (12,372)              |
| Accounts payable and accrued liabilities                            | 82,535                    | 64,333                |
|                                                                     | <u>(69,594)</u>           | <u>(633,943)</u>      |
| <b>Change in Cash Position</b>                                      | (69,594)                  | (633,943)             |
| <b>Cash Position – Beginning of the Period</b>                      | 86,436                    | 659,964               |
| <b>Cash Position – End of the Period</b>                            | <u>\$ 16,842</u>          | <u>\$ 26,022</u>      |
| <br><b>Supplemental Schedule of Non-Cash Financing Transactions</b> |                           |                       |
| Flow-through premium liability                                      | \$ -                      | \$ 94,360             |
| Shares issued for mining asset acquisition                          | \$ 207,500                | \$ 3,000              |

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

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 1. Nature of Operations and Going Concern

Gitennes Exploration Inc. ("the Company") is incorporated in the province of British Columbia with its principal office located at 410 – 325 Howe Street, Vancouver, British Columbia. The Company is currently exploring one property in northern British Columbia, four properties in northern Quebec, and has a royalty interest in a property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain mineral reserves.

These financial statements have been 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 at least the next twelve months. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company has no ongoing source of operating revenue and will require cash to maintain its mineral interests and to meet its administrative overhead. As at September 30, 2023, the Company had a negative working capital of \$ 224,366 (2022 - \$18,007) and an accumulated deficit of (\$ 39,974,474) (2022 - \$39,518,797).

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing to complete the development of its mineral properties and to fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

These financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

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### 2. Significant Accounting Policies

#### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's board of directors approved these financial statements for issue on November 28, 2023.

#### Basis of measurement

These financial statements have been prepared under the historical cost convention except in respect of items measured at fair value.

#### Foreign currency translation

The Company considers its functional currency to be the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in income (loss) for the year.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 2. Significant Accounting Policies (continued)

#### Adoption of new and revised standards and interpretations

*New and revised standards that are effective.*

#### Annual Improvements to IFRS Standards 2018-2020

The standard IFRS 9 Financial Instrument have been revised to incorporate amendments issued by the IASB in May 2020. The amendment clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The retrospective application of these amendments had no impact on the Company's loss or financial position.

#### Future changes in accounting policies

At the date of authorization of these annual financial statements, new standards and interpretations of existing standards and new amendments have been issued, but are not yet effective, and the Company has not adopted them early. Management expects that all pronouncements, not yet effective, will be adopted in the Company's accounting policies during the first financial year beginning after the effective date of each pronouncement. New standards and interpretations have been published but are not expected to have a material impact on the financial statements of the Company.

#### IAS 1 – Presentation of Financial Statements

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in January 2020. The amendments clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least 12 months after the reporting period. This standard has been revised to incorporate amendments issued by the IASB in February 2021 to require entity to disclose material accounting policies information rather than significant accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

#### IAS 8 - Definition of Accounting Estimates--Amendments

This standard Accounting Policies, Changes in Accounting Estimates and Errors has been revised to incorporate amendments issued by the IASB in February 2021. The amendments introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 2. Significant Accounting Policies (continued)

#### Current significant accounting policies

##### Management Properties Revenues

The Company is occasionally mandated to manage exploration work. If income earned from the management of the Company's properties in an option agreement, the amount is recorded as other income. These revenues are recognized when there is persuasive evidence that an arrangement exists, the services have been received by the optionee, the price is fixed or determinable, and collection is reasonably assured.

##### Cash

Cash comprises cash balances held in current operating bank accounts that are subject to an insignificant risk of change in nominal value.

Fund to be spent on exploration under tax restrictions through flow-through placements are included on cash.

##### Exploration and evaluation

The Company is currently in the exploration stage. Exploration and evaluation expenditures include the cost of acquiring licenses, option payments, and expenditures incurred to explore and evaluate properties and such costs are expensed in the period incurred. Property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale, except for those costs associated with the acquisition of exploration and evaluation assets through a business combination. Development costs relating to specific properties are capitalized once management has made a development decision.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to options being exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not accrued. Option payments are recorded as exploration and evaluation expenses or recoveries when the payments are made or received.

Government assistance that is based on incurring eligible mineral exploration expenditures is recorded in profit and loss in the period that reasonable assurance of the receipt of such assistance is received.

##### Equipment

Equipment is recorded at cost less accumulated depreciation, which is calculated on a declining balance basis using an annual rate of 20%. Equipment is reviewed for impairment if there is an indication that the carrying amount may not be recoverable.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 2. Significant Accounting Policies (continued)

#### Share-based compensation

The Company uses the fair value method whereby it recognizes share-based compensation costs over the vesting periods for all stock option grants and direct awards of stock. Any consideration paid by the option holders to purchase shares is credited to capital stock. The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of its share-based compensation. The fair value of each grant is measured at the grant date and where vesting is not immediate, each tranche is recognized on a graded-vesting basis over the vesting period. It is recognized as an expense, with a corresponding increase in contributed surplus.

#### Share capital

The proceeds from the exercise of stock options or warrants together with fair value amounts previously recorded on the grant date or issue date are recorded as share capital. Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue. The Company uses the residual value approach in respect of unit offerings, whereby the amount assigned to the warrant is the excess of the unit price over the trading price of the Company's shares at the date of issuance.

Costs related to issuing shares or unit offerings are reported as a deduction of the proceeds from the issue.

#### Flow-through shares

The Company will from time to time issue flow-through common shares to finance a portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon completing the qualifying expenditures, the Company derecognizes the liability to the extent the qualifying resource expenditures have been made as of that date and recognizes a deferred tax recovery for the amount of the tax reduction that will be renounced to the shareholders. The Company uses the residual value approach in respect of the flow-through shares issuance, whereby the amount assigned to the flow-through share premium is the excess of the share price over the trading price of the Company's share at the date of issuance. Almost, when a flow-through unit (flow-through share and warrant) are issued the Company uses the residual value approach. This residual amount assigned is then allocated between the warrant and the deferred flow-through premium liability using the relative fair value method. The Company uses the Black-Scholes Option-Pricing Model to calculate the fair value of the warrant issued and to calculate the fair value of the deferred flow-through premium liability the Company takes the issuance price for a flow-through unit and multiply it by the Company statutory tax rate.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 2. Significant Accounting Policies (continued)

#### Income taxes

Current tax expense is calculated using income tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is accounted for using the liability method, which recognizes differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recorded.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability will be settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in the period that the substantive enactment occurs. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

#### Loss per share

Loss per share is computed using the weighted-average number of common shares outstanding during the year. The Company uses the treasury stock method to calculate diluted earnings per share, which assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The effect on loss per share of outstanding convertible securities is anti-dilutive.

#### Financial instruments

The Company classifies its financial instruments in accordance with IFRS 9 – *Financial Instruments*, based on the Company's business model for managing its financial instruments, which includes the purpose for which the financial instruments were acquired as well as their contractual cash flow characteristics. Financial instruments are classified under three primary measurement categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

Determination of the classification of financial instruments is made at initial recognition and reclassifications are made only upon the Company changing its business model for managing its financial instruments. Financial assets are derecognized when they mature or are sold, and substantially all of the risks and rewards of ownership have been transferred. Equity instruments that are held for trading are classified as FVTPL. Other equity instruments are carried at FVTPL unless upon initial recognition the Company makes an irrevocable election to designate them as FVTOCI.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 2. Significant Accounting Policies (continued)

#### Financial instruments (continued)

##### Financial assets

##### *FVTPL*

Financial assets classified as FVTPL are initially recognized at fair value with transaction costs being expensed in the period incurred. Realized gains and losses recognized upon derecognition and unrealized gains and losses arising from changes in the fair value of the financial assets are included in profit or loss in the period in which they arise.

##### *FVTOCI*

Investments in equity instruments classified as FVTOCI are initially recognized at fair value plus transaction costs. Unrealized gains and losses arising from changes in fair value are recognized in other comprehensive income with no subsequent reclassification to profit or loss upon derecognition. Realized gains and losses recognized upon derecognition remain within accumulated other comprehensive income. The Company classify its marketable securities in quoted company in this category.

##### *Amortized cost*

A financial asset is measured at amortized cost if the objective of the Company's business model is to hold the instrument for the collection of contractual cash flows, which are comprised solely of payments of principal and interest. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Impairment losses are included in profit or loss in the period the impairment is recognized. The Company classifies cash and accounts receivable in this category.

##### Financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL. The Company classify accounts payable and accrued liabilities in this category.

##### Derecognition

##### *Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Company transfers contractual rights to receive the cash flows of the financial asset in a transaction where substantially all the risks and rewards of ownership of the financial asset have been transferred or in a transaction where the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but does not retain control of the asset. Any rights and obligations created or retained in the transfer by the Company are recognized as separate assets or liabilities.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 2. Significant Accounting Policies (continued)

#### Financial instruments (continued)

##### *Financial liabilities*

The Company derecognizes a financial liability when the obligation specified in the contract is discharged or cancelled or expires. The Company also derecognizes a financial liability when there is a substantial modification of the terms of an existing financial liability or a part of it. In this situation, a new financial liability under the new terms is recognized at fair value, and the difference between the carrying amount of the financial liability or a part of the financial liability extinguished and the new financial liability under the new terms is recognized in profit or loss.

##### *Derivative financial instruments*

An embedded derivative is separated from the host contract and recognized separately if the economic characteristics and risks of the embedded derivative are not closely related to those of the host, if a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and if the combined instrument is not measured at fair value, with changes in fair value recognized in profit or loss.

Derivatives are initially recognized at fair value. Related transaction costs are recognized in profit or loss as incurred. After initial recognition, derivatives are measured at fair value, and changes in fair value are recognized in profit or loss.

##### *Impairment*

Financial assets are reviewed at the end of each reporting period for objective evidence indicating that changes in the market, economic, or legal environment has had a negative effect on the estimated future cash flows of the asset or group of assets. The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

### 3. Main sources of estimation uncertainty and critical judgments by management

The preparation of financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements, and the carrying amount of revenues and expenses for the reporting period. These estimates are changed periodically, and as adjustments become necessary, they are reported in profit or loss in the period in which they become known.

##### *Valuation of warrants and share-based compensation*

The Company uses the Black-Scholes Option-Pricing Model for valuation of warrants and share-based compensation. 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.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 4. Financial Instruments and Risk Management

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, all of which are measured at amortized cost. The carrying values approximate their fair values due to the short-term nature of these instruments.

The Company is exposed to various financial risks in respect of its financial instruments as detailed below. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current year.

#### Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's primary credit risk is associated with its cash and accounts receivable.

The Company's cash is held in accounts at a major Canadian financial institution with an investment grade rating. Accounts receivable consist of GST and QST recoverable from the governments of Canada and Quebec and management fees recoverable from a quoted exploration mining company. Management considers the credit risk associated with this balance to be low.

The carrying value (totalling \$ 46,641; 2022 - \$205,895) of the financial assets recorded in these financial statements represents the Company's maximum exposure to credit risk as at September 30, 2023.

#### Interest Rate Risk

Interest rate risk relates to the effect on the Company's financial instruments due to changes in market rates of interest. The Company's cash and accounts receivable currently earn no interest and are therefore exposed to interest rate risk given the volatility of interest rates over time. Due to the value and nature of the Company's financial instruments and prevailing market rates, it is management's opinion that the Company is not exposed to significant interest rate risk in respect of these financial instruments.

#### Liquidity Risk

The Company is subject to liquidity risk such that it may not be able to meet its obligations under its financial instruments as they fall due. The Company manages this risk by maintaining cash balances to ensure that it is able to meet its short and long-term obligations as and when they fall due. Cash projections are regularly updated to reflect the dynamic nature of the business.

#### Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is exposed to other price risk through its marketable securities in quoted shares for which the value fluctuates with the quoted market price.

**Gitennes Exploration Inc.**

**Notes to Financial Statements**

**For the nine-month periods ended September 30, 2023 and 2022**

*(Unaudited, in Canadian dollars)*

**5. Marketable securities in quoted mining exploration company**

|                                                                                                                                               | <b>September 30,<br/>2023</b> | <b>December 31,<br/>2022</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------|
|                                                                                                                                               | \$                            | \$                           |
| <b>MARKETABLE SECURITIES</b>                                                                                                                  |                               |                              |
| Newfoundland Discovery Corp. – 250,000 common shares (250,000 as at December 31, 2022) cost of \$ 12,500, representing 0.4% of common shares. | 6,250                         | 11,250                       |
|                                                                                                                                               | <u>6,250</u>                  | <u>11,250</u>                |

**6. Share Capital**

The authorized share capital of the company consists of an unlimited number of common shares without par value.

**a) Issued and outstanding**

|                                                    | Shares            | Amount            |
|----------------------------------------------------|-------------------|-------------------|
| Balance – December 31, 2021                        | 56,027,122        | \$ 37,137,271     |
| Shares issued for New Mosher property (Note 7)     | 150,000           | 3,000             |
| Balance – December 31, 2022                        | 56,177,122        | \$ 37,140,271     |
| Shares issued for Sept-Iles property (Note 7)      | 8,000,000         | 200,000           |
| Shares to be issued for mining properties (Note 7) | 300,000           | 4,500             |
| Balance – September 30, 2023                       | <u>64,477,122</u> | <u>37,344,771</u> |

The volatility assumption is based on an analysis of historical volatility over a period equivalent to the life of the warrants.

**Deferred flow-through premium liability**

|                                                                                                                | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|----------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|
| Balance, beginning of period                                                                                   | \$ -                      | \$ 107,298               |
| Premium value of flow-through shares issuance                                                                  | -                         | -                        |
| Fulfillment of the commitment related to flow-through placements, derecognized in deferred income tax recovery | -                         | (107,298)                |
| Balance, end of period                                                                                         | <u>\$ -</u>               | <u>\$ -</u>              |

**Notes to Financial Statements****For the nine-month periods ended September 30, 2023 and 2022***(Unaudited, in Canadian dollars)***6. Share Capital****b) Stock options**

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The board of directors determines the exercise price per share and the vesting period under the plan, subject to TSX Venture Exchange policy. Details of stock option activities are as follows:

|                              | Number    | Weighted Average<br>Exercise Price |
|------------------------------|-----------|------------------------------------|
| Balance – December 31, 2021  | 3,780,000 | \$ 0.16                            |
| Granted                      | 500,000   | \$ 0.05                            |
| Expired                      | (250,000) | \$ 0.61                            |
| Balance – December 31, 2022  | 4,030,000 | \$ 0.12                            |
| Granted                      | 200,000   | \$ 0.05                            |
| Balance – September 30, 2023 | 4,230,000 | \$ 0.11                            |

In February 2023, the Company is granting 200,000 incentive stock options to consultants. Each option is exercisable at \$0.05 per share and has a term of two years.

As at September 30, 2023, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

| Number    | Exercise Price | Expiry Date       |
|-----------|----------------|-------------------|
| 145,000   | \$ 0.50        | August 21, 2023   |
| 210,000   | \$ 0.05        | December 16, 2023 |
| 1,675,000 | \$ 0.165       | October 14, 2025  |
| 100,000   | \$ 0.115       | March 4, 2026     |
| 1,400,000 | \$ 0.05        | December 16, 2026 |
| 500,000   | \$ 0.05        | February 2, 2027  |
| 200,000   | \$ 0.05        | February 6, 2025  |
| 4,230,000 |                |                   |

As at September 30, 2023, the outstanding options had a weighted-average remaining life of 2.68 years; 4,230,000 outstanding options with a weighed-average exercise price of \$0.12 had vested and were exercisable.

**c) Share-based compensation**

During the period, the Company granted stock options to a consultant and estimated related share-based compensation as follows:

|                                      | September 30,<br>2023 | September 30,<br>2022 |
|--------------------------------------|-----------------------|-----------------------|
| Total options granted                | 200,000               | 500,000               |
| Weighted-average exercise price      | \$ 0.05               | \$ 0.05               |
| Estimated fair value of compensation | \$ 5,804              | \$ 17,521             |
| Estimated fair value per option      | \$ 0.03               | \$ 0.04               |

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

### 6. Share Capital (continued)

#### c) Share-based compensation (continued)

The fair value of the related share-based compensation recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

|                                 | September 30,<br>2023 | September 30,<br>2022 |
|---------------------------------|-----------------------|-----------------------|
| Risk-free interest rate         | 3.94%                 | 1.65%                 |
| Expected dividend yield         | 0.00%                 | 0.00%                 |
| Expected stock price volatility | 110%                  | 110%                  |
| Expected forfeiture rate        | 0.00%                 | 0.00%                 |
| Expected option life in years   | 1.83                  | 5.00                  |

The volatility assumption is based on an analysis of historical volatility over a period equivalent to the life of stock options.

During 2023, 200,000 (2022 – 500,000) options vested and the Company recognized \$ 5,804 (2022 - \$ 17,520) in share-based compensation.

#### d) Warrants

Details of share purchase warrant activities are as follows:

|                              | Number       | Weighted<br>average<br>exercise price |
|------------------------------|--------------|---------------------------------------|
| Balance – December 31, 2021  | 28,720,540   | \$ 0.16                               |
| Expired                      | (18,179,620) | 0.18                                  |
| Balance – December 31, 2022  | 10,540,920   | 0.14                                  |
| Issued                       | 8,000,000    | 0.15                                  |
| Expired                      | (8,189,254)  | 0.14                                  |
| Balance – September 30, 2023 | 10,351,666   | 0.14                                  |

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

### 6. Share Capital (continued)

As at September 30, 2023, the Company had share purchase warrants outstanding entitling the holders to purchase common shares of the Company as follows:

| Number            | Exercise Price | Expiry        |
|-------------------|----------------|---------------|
| 163,666           | \$ 0.06        | December 2023 |
| 2,188,000         | \$ 0.10        | December 2023 |
| 8,000,000         | \$ 0.15        | August 2026   |
| <u>10,351,666</u> |                |               |

As at September 30, 2023, the outstanding warrants had a weighted-average remaining life of 2.59 years.

### 7. Exploration and Evaluation

Details of the Company's mineral interests are as follows:

#### Snowbird, British Columbia, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. The Company earned its interest by issuing shares to the optionor and completing minimum exploration expenditures as follows:

|                                     | Shares           | Expenditures        |
|-------------------------------------|------------------|---------------------|
| Upon regulatory approval            | 600,000          | \$ -                |
| On or before September 30, 2018     | 200,000          | 500,000             |
| On or before September 30, 2019     | 200,000          | -                   |
| On or before December 31, 2019      | -                | 500,000             |
| On or before September 30, 2020     | 200,000          | -                   |
| On or before September 30, 2021 (i) | -                | 500,000             |
|                                     | <u>1,200,000</u> | <u>\$ 1,500,000</u> |

(i) A portion of these expenditures were completed by a third party optionee as detailed below.

During 2020, the Company issued 200,000 shares with a fair value of \$28,000 to the optionors and 17,500 shares with a fair value of \$2,450 to the finders in respect of the 2020 finder's fee payable; the Company also issued 17,500 shares with a fair value of \$2,450 in respect of the 2019 finder's fee payable (Note 7). The option agreement provides for a 2% net smelter returns royalty ("NSR") that, upon payment of royalty payments totalling \$1,300,000, reverts to an uncapped 1% NSR.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 7. Exploration and Evaluation (continued)

In February 2021, the Company signed an option agreement on the Snowbird project providing the optionee with the right to acquire a 100% interest in the Company's underlying option agreement with the original owners of the Snowbird property. The optionee is a private company and is currently seeking a listing on a Canadian stock exchange. Upon signing the agreement, the optionee paid the Company \$25,000 and issued special warrants entitling the Company to receive that number of shares in the optionee with a value of \$2.2 million, based on a 10-day volume-weighted average trading price of the optionee's shares. Since the optionee did not obtain a listing of its shares by February 4, 2022, the Company maintains contact with the optionee and will decide when to claim the 22 million shares of the optionee. In addition, the optionee must incur \$500,000 in exploration expenditures on the property by June 30, 2021 (incurred) and a total of \$1,500,000 in expenditures by June 30, 2022 (incurred). Upon earning its interest in the project, the optionee will own a 100% interest, subject to the NSR due to the original owners, and the Company will cease to have any direct interest in the Snowbird project.

#### **Maroon, British Columbia, Canada**

In May 2018, the Company entered into an option agreement to acquire a 100% interest in the Maroon gold property located 35 kilometres north of Terrace, British Columbia. The Company returned the property to the optionor in May 2020. During 2021, the Company received a refund of its reclamation bond of \$6,000.

#### **Urumalqui, Peru**

In December 2014, AndeanGold Ltd. earned a 100% interest in the Company's Urumalqui project situated in north-central Peru. The Company retained an uncapped NSR of 1.5% on all metals produced at Urumalqui, with no buy-out or other provisions attached. The Company also holds 663,000 common shares of Andean with a fair value of \$ nil, which are carried at nominal value.

#### **Rivière-à-l'Aigle ("RAL"), Quebec, Canada**

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the RAL property located in the Lac Windfall region of northern Quebec. The Company could earn a 70% interest by issuing 1,500,000 shares and incurring \$1,500,000 in exploration expenditures over four years.

During the year 2020, the Company issued 150,000 shares with a fair value of \$21,000 to the optionor. During the period of the option, the Company incurred approximately \$179,000 on the property and in September 2021, abandoned the project and returned the property to the optionor.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

### 7. Exploration and Evaluation (continued)

#### New Mosher, Quebec, Canada

In June 2020, the Company entered into an option agreement granting it the right to earn up to an 85% interest in the New Mosher property located in the James Bay region of northern Quebec. To earn a 70% interest, the Company, at its option, must issue shares and incur exploration expenditures as follows:

|                                                          | Shares    | Expenditures |
|----------------------------------------------------------|-----------|--------------|
| Upon regulatory approval <i>(issued)</i>                 | 150,000   | \$ -         |
| On or before September 30, 2021 <i>(issued/incurred)</i> | 150,000   | 150,000      |
| On or before September 30, 2022 <i>(issued/incurred)</i> | 150,000   | 250,000      |
| On or before September 30, 2023 <i>(issued)</i>          | 150,000   | 300,000      |
| On or before September 30, 2024 <i>(i)</i>               | 400,000   | 300,000      |
|                                                          | 1,000,000 | \$ 1,000,000 |

(i) Expenditures have been incurred; shares have not been issued.

During the year 2022, the Company issued 150,000 shares (2021 - 150,000 shares) with a fair value of \$3,000 (2021 - \$7,500) to the optionor. As at December 31, 2022, the Company had incurred approximately \$1,530,000 in exploration expenditures on the project.

Upon earning a 70% interest, the Company can elect to increase its interest in the property to 85% either by producing an inferred resource or completing a preliminary economic assessment ("PEA") within 12 months of making such election. The Company will pay the optionor \$250,000 in cash or shares, at the Company's option, upon producing an inferred resource or \$750,000 in cash upon delivering a PEA. The property is subject to a 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the optionor. Upon earning either a 70% or 85% interest, the Company and the optionor will form a joint venture to further develop the property.

#### JMW, Quebec, Canada

In June 2020, the Company entered into an agreement to purchase a 100% interest in the JMW property located in northern Quebec and a ten-claim property located in the Val-d'Or region of Quebec. In September 2020, the Company paid \$25,000 and issued 1,000,000 shares with a fair value of \$140,000 to the vendors of the properties. In 2021, the Company issued 75,000 shares (2020 - 87,500 shares) with a fair value of \$6,000 (2020 - \$12,250) as a finder's fee.

The Company agreed to issue a further 750,000 shares to the vendors after twelve months, subject to an adjustment in the shares issuable to provide a minimum fair value of \$75,000 to the vendors. This derivative liability was initially measured at \$105,000 and was carried at fair value through profit or loss. The fair value of this instrument as at December 31, 2020 was \$75,000 resulting in a gain on change in fair value of \$30,000 during 2020. In September 2021, the Company issued 937,500 shares with a fair value of \$75,000 to settle this obligation (Note 9).

The properties are subject to an NSR of 2%, one-half of which can be purchased for \$1,000,000. The Company has granted the vendors of the properties a further 1.5% NSR, which can be reduced to 0.5% upon payment of \$1,000,000 to the vendors.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 7. Exploration and Evaluation (continued)

#### JMW, Quebec, Canada (continued)

In November 2022, the Company signed an agreement to option its property to Newfoundland Discovery Corp. ("Newfoundland"). Newfoundland can initially earn a 70% interest in the property and has the right to earn an additional 15% interest. The terms of the agreement are :

- \$5,000 in cash at signature of the agreement
- Issuance of 875,000 common shares over a period of 3 years.
- \$1,500,000 of work commitments over a period of 3 years.

Newfoundland can earn an additional 15% interest by completing a 43-101 compliant resource.

#### Maxwell, Quebec, Canada

In December 2020, the Company has staked the Maxwell property located in northern Quebec. The property is approximately 18 kilometres northeast of the JMW property and comprises 169 claims totalling 9,112 hectares.

In November 2022, the Company signed an agreement to option its property to Newfoundland who can initially earn a 70% interest in the property and has the right to earn an additional 15% interest. The terms of the agreement are :

- \$5,000 in cash at signature of the agreement
- Issuance of 575,000 common shares over a period of 3 years.
- \$1,000,000 of work commitments over a period of 3 years.

Newfoundland can earn an additional 15% interest by completing a 43-101 compliant resource.

#### Gaspe, Quebec, Canada

In August 2021, the Company acquired a 100% interest in two gold properties and one copper property in the Gaspe Region of Quebec by issuing 250,000 shares with a fair value of \$12,500 to the seller.

On April 28, 2023, the Company concluded a mining claims sales agreement to sell its 3 Gaspe properties to Canadian Gold Resources Ltd. ("Canadian Gold") in consideration of \$ 250,000 in value of Canadian Gold common share value at the time of the public listing of Canadian Gold. The transaction and the transfer of the title of properties to Canadian Gold is conditional upon Canadian Gold completing an Initial Public Offering within 14 months of the signature of the sale agreement.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 7. Exploration and Evaluation (continued)

#### Blue Ice, Quebec, Canada

In March 2023, the Company announced the acquisition of land package in Quebec located approximately 100 kilometres northeast of Sept-Iles Quebec and consists of 119 claims totaling 6,462 hectares. Of the 119 claims, the Company staked 115 claims and signed two options agreements to earn 100% of 4 additional claims.

The first option agreement for one claim pays the vendor \$10,000 and issues 100,000 common shares on August 24, 2023. The Company must expend \$50,000 on exploration on the claim with 12 months of signing the agreement. A 1.5 % NSR is granted to the vendor.

The second option agreement for three claims pays the vendors \$10,000 on signing the agreement, \$15,000 when the Company completed a private placement and \$50,000 by the second anniversary of signing the agreement. The Company issued 50,000 common shares on August 24, 2023, and 250,000 common shares by the third anniversary of the agreement. The Company must expend \$600,000 over four years with the first \$100,000 required to be spent within 18 months of the signing of the agreement. A 1.5% NSR is granted to the vendors.

On August 24, 2023, the Company issued 150,000 common shares for the Blue Ice property acquisition.

#### Sept-Iles, Quebec, Canada

On May 23, 2023, the Company concluded a property purchase agreement to acquire a 100% interest in a nickel and rare element properties in the Sept-Iles area of Quebec with arm's length sellers in consideration of 8,000,000 units of the Company. Each unit is comprised of one common share and one warrant of the Company. Each warrant entitles the sellers to acquire one additional common share at an exercise price of \$ 0.15 for a period of thirty-six months. The Company has granted to the sellers a 2% net smelter return royalty ("NSR"). The Company can buyback half of the NSR (1%) for \$ 1 million.

#### Title

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral properties and its NSR on the Urumalqui property and, to the best of its knowledge, ownership of these interests is in good standing.

Gitennes Exploration Inc.

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

### 7. Exploration and Evaluation (continued)

#### Expenditures

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Expenditures for the period and cumulative expenditures as at September 30, 2023 are as follows:

| Canada                                                   | Expenditures<br>September 30,<br>2023 | Expenditures<br>December<br>31, 2022 | Cumulative<br>September<br>30, 2023 |
|----------------------------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------|
| <b>Snowbird, British Columbia</b>                        |                                       |                                      |                                     |
| Option payments, finder's fees, and staking              | \$ -                                  | -                                    | 553,010                             |
| Assays                                                   | -                                     | -                                    | 68,773                              |
| Camp and general                                         | -                                     | -                                    | 29,578                              |
| Consulting                                               | -                                     | -                                    | 20,598                              |
| Drilling                                                 | -                                     | -                                    | 505,716                             |
| Geological                                               | -                                     | -                                    | 237,801                             |
| Geophysical                                              | -                                     | -                                    | 26,966                              |
| Mapping and survey                                       | -                                     | -                                    | 22,467                              |
| Transportation                                           | -                                     | -                                    | 118,886                             |
| Option payments received                                 | -                                     | -                                    | (25,000)                            |
| Expense recoveries                                       | -                                     | -                                    | (138,795)                           |
|                                                          | -                                     | -                                    | 1,420,000                           |
| <b>JMW, Quebec</b>                                       |                                       |                                      |                                     |
| Acquisition payments and finder's fee                    | -                                     | -                                    | 289,152                             |
| Administration                                           | -                                     | -                                    | 1,615                               |
| Assays                                                   | -                                     | -                                    | 7,766                               |
| Camp and general                                         | -                                     | -                                    | 320                                 |
| Field supplies                                           | -                                     | -                                    | 3,458                               |
| Geological                                               | 13,000                                | 1,421                                | 88,673                              |
| Geophysical                                              | -                                     | -                                    | 222,223                             |
| Mapping and survey                                       | -                                     | -                                    | 3,153                               |
| Transportation                                           | -                                     | -                                    | 6,865                               |
| Option grants received                                   | -                                     | (11,250)                             | (11,250)                            |
|                                                          | 13,000                                | (9,829)                              | 611,975                             |
| <b>RAL, Quebec (Project abandoned in September 2021)</b> |                                       |                                      |                                     |
| Option payments                                          | -                                     | -                                    | 21,000                              |
| Administration                                           | -                                     | -                                    | 14,053                              |
| Camp and general                                         | -                                     | -                                    | 3,334                               |
| Field supplies                                           | -                                     | -                                    | 619                                 |
| Geological                                               | -                                     | -                                    | 20,934                              |
| Geophysical                                              | -                                     | -                                    | 116,639                             |
| Transportation                                           | -                                     | -                                    | 2,753                               |
|                                                          | -                                     | -                                    | 179,332                             |
| <b>Balances carried forward</b>                          | \$ 13,000                             | (9,829)                              | \$ 2,211,307                        |

Gitennes Exploration Inc.

# Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

## 7. Exploration and Evaluation (continued)

### Expenditures - continued

|                                 | Expenditures<br>June 30, 2023 | Expenditures<br>December 31,<br>2022 | Cumulative<br>September 30,<br>2023 |
|---------------------------------|-------------------------------|--------------------------------------|-------------------------------------|
| <b>Canada</b>                   |                               |                                      |                                     |
| <b>Balances brought forward</b> | \$ 13,000                     | \$ (9,829)                           | \$ 2,211,307                        |
| <b>New Mosher, Quebec</b>       |                               |                                      |                                     |
| Option payments                 | 3,000                         | 3,000                                | 34,500                              |
| Administration                  |                               | -                                    | 85,918                              |
| Assays                          |                               | 24,381                               | 72,017                              |
| Camp and general                |                               | 4,500                                | 66,838                              |
| Drilling                        |                               | 158,517                              | 534,862                             |
| Environmental and permitting    |                               | -                                    | 5,466                               |
| Field supplies                  |                               | 54,640                               | 89,317                              |
| Geological                      |                               | 169,254                              | 398,145                             |
| Geophysical                     |                               | -                                    | 142,211                             |
| Mapping and survey              |                               | -                                    | 2,750                               |
| Transportation                  |                               | 39,186                               | 112,094                             |
|                                 | <u>3,000</u>                  | <u>453,478</u>                       | <u>1,544,118</u>                    |
| <b>Maxwell, Quebec</b>          |                               |                                      |                                     |
| Staking                         |                               | -                                    | 7,884                               |
| Geological                      | 17,000                        | -                                    | 40,750                              |
| Mapping and survey              |                               | -                                    | 560                                 |
| Transportation                  |                               | -                                    | 5,890                               |
| Option grants received          |                               | (11,250)                             | (11,250)                            |
|                                 | <u>17,000</u>                 | <u>(11,250)</u>                      | <u>43,834</u>                       |
| <b>Gaspe, Quebec</b>            |                               |                                      |                                     |
| Acquisition payments            | 1,693                         | 11,591                               | 29,418                              |
| Geological                      |                               | -                                    | 21,750                              |
| Mapping and survey              |                               | -                                    | 840                                 |
| Transportation                  |                               | -                                    | 6,797                               |
|                                 | <u>1,693</u>                  | <u>11,591</u>                        | <u>60,498</u>                       |
| <b>Blue Ice, Quebec</b>         |                               |                                      |                                     |
| Acquisition payments            | 35,652                        | -                                    | 35,652                              |
| Geological                      | 25,501                        | -                                    | 25,501                              |
|                                 | <u>61,153</u>                 | <u>-</u>                             | <u>61,153</u>                       |
| <b>Sept-Iles, Quebec</b>        |                               |                                      |                                     |
| Acquisition payments            | 200,000                       | -                                    | 200,000                             |
| Geological                      | 21,000                        | -                                    | 21,000                              |
|                                 | <u>221,000</u>                | <u>-</u>                             | <u>221,000</u>                      |
|                                 | <u>\$ 316,846</u>             | <u>443,990</u>                       | <u>4,141,910</u>                    |

## Notes to Financial Statements

For the nine-month periods ended September 30, 2023 and 2022

(Unaudited, in Canadian dollars)

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### 8. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties. Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management is as follows:

|                            | September<br>30, 2023 | September<br>30, 2022 |
|----------------------------|-----------------------|-----------------------|
| Management fees            | \$ 25,000             | \$ 30,000             |
| Accounting                 | 45,000                | 53,450                |
| Exploration and evaluation | 65,000                | 45,000                |
|                            | <u>\$ 135,000</u>     | <u>\$ 128,450</u>     |

In addition, the Company recorded share-based compensation of \$ nil (2022 - \$ 17,520), which relates to incentive stock options granted to directors and officers. Share-based compensation is a non-cash item calculated using the Black-Scholes Option-Pricing Model with the assumptions detailed in Note 6c.

Accounts payable includes \$ 126,198 (2022- \$ 69,500) in accrued management, exploration and evaluation fees and accounting fees due to the chief executive officer and the chief financial officer (Note 9).

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### 9. Capital Risk Management

The Company is in the business of mineral exploration and has no source of operating revenue. The Company manages its capital structure, being its shareholders' equity and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company typically finances its operations through the issuance of capital stock. Capital raised is held in cash until it is required to pay operating expenses or exploration and evaluation expenditures. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern (Note 1), and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the year.

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### 10. Segmented Information

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has one exploration project in British Columbia, Canada, four projects in Quebec, Canada, and a royalty interest in a property located in Peru.

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**Gitennes Exploration Inc.**

## **Notes to Financial Statements**

**For the nine-month periods ended September 30, 2023 and 2022**

*(Unaudited, in Canadian dollars)*

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### **11. Commitments and contingences**

Royalties will be paid in the event that a commercial operation starts on Company mineral interests, see detail in Note 7. During the year, the Company cancelled its directors and officers insurance policy which allowed reducing the various risks inherent to the Company's activities.

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### **12. Restoration provisions**

The Company recognizes liabilities for legal or constructive obligations associated with the reclamation or rehabilitation of mineral properties that the Company is required to settle. The Company recognizes the present value of liabilities for such obligations in the period in which they occur or in the period in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. The Company has determined that it had no restoration obligations as at September 30, 2023 and December 31, 2022.

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### **13. Subsequent Event**

No subsequent event.