



(formerly White Metal Resources Corp.)

Condensed Consolidated Interim Financial Statements
First Quarter ended July 31, 2023

(Expressed in Canadian Dollars)
(Unaudited)

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	July 31, 2023	April 30, 2023
	\$	\$
Assets		
Current assets		
Cash	1,095,582	1,505,119
Cash – restricted (Note 3)	15,000	32,626
Amounts receivable	28,150	200,227
Prepaid expenses	22,806	30,578
Convertible promissory note (Note 8)	1,317,700	1,357,800
Marketable securities (Note 4)	268,678	324,809
	2,747,916	3,451,159
Property and equipment, net (Note 5)	54,780	58,049
Investment in Aloe 237 at equity (Note 7)	1	1
Exploration and evaluation assets (Note 6)	6,526,039	6,266,207
	9,328,736	9,775,416
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	59,418	442,258
Income taxes payable (Note 8)	439,479	439,479
Deferred premium on flow-through shares (Note 9(a))	-	2,938
	498,897	884,675
Equity		
Share capital (Note 9)	9,759,786	9,587,786
Reserves	1,843,248	1,843,248
Deficit	(2,773,195)	(2,540,293)
Equity attributable to the owners of the Company	8,829,839	8,890,741
Non-controlling interests	-	-
	8,829,839	8,890,741
	9,328,736	9,775,416

*See accompanying notes to the condensed consolidated interim financial statements*Nature and continuance of operations (Note 1)
Subsequent Event (Note 13)

Approved by the Board of Directors and authorized for issue on September 19, 2023.

"Wesley Hanson"

Wesley Hanson, Director

"Elliot Strashin"

Elliot Strashin, Director

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)Condensed Consolidated Interim Statements of Comprehensive Income Loss
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended July 31, 2023	Three Months Ended July 31, 2022
	\$	\$
Operating costs and expenses		
Advertising and promotion	68,685	7,370
Bank charges and interest	1,507	1,217
Consulting	23,410	40,530
Depreciation	3,269	1,472
Insurance	4,172	4,077
Legal and accounting	32,173	46,585
Share-based payments	-	153,487
Salaries and benefits	25,707	18,705
Office and miscellaneous	11,106	26,027
Trust and filing fees	3,334	14,664
Loss before other items	(173,363)	(314,134)
Other items:		
Interest income	13,754	1,680
Gain on disposition of exploration and evaluation assets (Note 6)	65,000	47,000
Other income	-	677
Premium on flow-through shares (Note 9(a))	2,938	21,317
Gain on disposition of subsidiaries (Notes 7 and 8)	-	18,024
Foreign exchange loss	(40,100)	-
Unrealized loss on marketable securities	(101,131)	(214,092)
Net loss and comprehensive loss for the period	(232,902)	(439,528)
Net loss and comprehensive loss attributed to:		
Shareholders of parent company	(232,902)	(439,528)
Non-controlling interests	-	-
	(232,902)	(439,528)
Weighted average number of common shares outstanding	169,599,731	147,173,576
Basic and diluted loss per share	0.00	0.00

See accompanying notes to the condensed consolidated interim financial statements

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended July 31, 2023	Three Months Ended July 31, 2022
	\$	\$
Cash provided by (used for):		
Operating activities		
Net income (loss) for the period	(232,902)	(439,528)
Items not involving cash:		
Premium on flow-through shares	(2,938)	(21,317)
Share-based payments	-	153,487
Depreciation	3,269	1,472
Gain on disposition of exploration and evaluation assets	(65,000)	(47,000)
Gain on disposition of subsidiaries	-	(18,024)
Foreign exchange loss	40,100	-
Unrealized loss (gain) on marketable securities	101,131	214,092
Changes in non-cash operating capital:		
Amounts receivable	172,077	(41,648)
Prepaid expenses	7,772	2,975
Accounts payable and accrued liabilities	(382,840)	36,873
	(359,331)	(156,618)
Investing activities		
Exploration and evaluation expenditures	(87,832)	(257,915)
Proceeds and expense recoveries on optioning or disposition of exploration and evaluation assets	20,000	25,000
Purchase of property and equipment	-	(12,734)
Proceeds on disposition of marketable securities	-	-
Proceeds on disposition of subsidiary	-	579,350
Refundable security deposits	-	-
	(67,832)	333,701
Increase (decrease) in cash for the period	(427,163)	175,083
Cash, beginning of the period	1,537,745	1,859,507
Cash effect of deconsolidation of subsidiary	-	(286)
Cash, end of the period	1,110,582	2,034,304
Cash consists of the following:		
Cash	1,095,582	1,513,920
Cash - restricted	15,000	520,384
	1,110,582	2,034,304
Supplemental information		
Shares issued for exploration and evaluation assets	172,000	16,500
Shares received for exploration and evaluation assets	45,000	22,000

See accompanying notes to the condensed consolidated interim financial statements

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Non-controlling interests \$	Total equity \$
April 30, 2022	147,000,750	8,689,850	1,484,527	(2,995,570)	29,927	7,208,734
Issued in connection with property option agreements	300,000	16,500	-	-	-	16,500
Share-based payments	-	-	153,487	-	-	153,487
Disposition of interest in subsidiary	-	-	-	-	(20,144)	(20,144)
Net income for the year	-	-	-	(439,528)	-	(439,528)
July 31, 2022	147,300,750	8,706,350	1,638,014	(3,435,098)	9,783	6,919,049
April 30, 2023	167,600,818	9,587,786	1,843,248	(2,540,293)	-	8,890,741
Issued in connection with property option agreements	4,300,000	172,000	-	-	-	172,000
Net income and comprehensive income for the year	-	-	-	(232,902)	-	(232,902)
July 31, 2023	171,900,818	9,759,786	1,843,248	(2,773,195)	-	8,829,839

See accompanying notes to the condensed consolidated interim financial statements

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in British Columbia, Canada and has been primarily involved in the acquisition and exploration of mineral properties in the Provinces of Ontario and Newfoundland & Labrador, Canada. The address of its corporate office and principal place of business is 684 Squier Street, Thunder Bay, Ontario, Canada, P7B 4A8. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V"), under the symbol WHM.

At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties. The ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. Although the Company is unaware of any defects in its title to its mineral properties, no guarantee can be made that none exist.

These financial statements have been prepared on the basis of a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as going concern as described in the following paragraph. Accordingly, these financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

The Company has a need for financing for working capital, and the exploration and development of its properties. The ability of the Company to continue operations is dependent upon the continued financial support of its shareholders, other investors and lenders, and the successful development of the Company's interests in the mineral properties in which it holds interests. The Company has not determined whether any of the properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Since inception, the Company has incurred cumulative operating losses of \$2,773,195 and expects to incur further losses in the development of its business, and at July 31, 2023 has no source of operating revenue.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the audited annual consolidated financial statements of the Company for the year ended April 30, 2023.

The policies applied in these interim condensed financial statements are based on IFRS issued and outstanding as of September 19, 2023, the date the Audit Committee approved the statements. Any subsequent change to IFRS after this date could result in changes to the financial statements for the year ended April 30, 2024.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual financial statements and the notes thereto for Thunder Gold Corp. (formerly White Metal Resources Corp.) for the year ended April 30, 2023.

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company and its subsidiaries is the Canadian dollar (“\$”). These financial statements include the accounts of the Company and its wholly-owned subsidiary 1191557 Ontario Corp. as well as its 25%-owned subsidiary, Aloe Investments Two Hundred and Thirty Seven (Proprietary) Limited (“Aloe 237”).

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting principles adopted by the Company.

c) Significant accounting judgments, estimates and assumptions

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in these financial statements:

- The determination that the Company will continue as a going concern for the next year; and
- The determination that there have been no events or changes in circumstances that indicate that the carrying amounts of exploration and evaluation assets may not be recoverable.

3. RESTRICTION ON THE USE OF CASH

During the year ended April 30, 2023, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross cash proceeds for the exclusive purpose of incurring qualified Canadian exploration expenditures, and not for other purposes.

	July 31, 2023	April 30, 2023
Restricted cash, beginning of year	\$ 32,626	\$ 733,549
Gross proceeds received upon issuance of flow-through shares	-	1,164,004
Qualified exploration expenditures incurred with these funds	(17,626)	(1,864,927)
Restricted cash, end of year	\$ 15,000	\$ 32,626
Consists of:		
Cash restricted for qualified exploration expenditures	\$ -	\$ 17,626
GIC held for credit card collateral	15,000	15,000
	\$ 15,000	\$ 32,626

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

4. MARKETABLE SECURITIES

	July 31, 2023		April 30, 2022	
	Number of Shares	Market Value	Number of Shares	Market Value
		\$		\$
Benton Resources Inc.	925,000	46,250	925,000	78,625
Leocor Gold Inc.	733,333	62,333	733,333	84,333
Goldshore Resources Inc.	600,000	87,000	300,000	78,000
Noronex Ltd.	5,500,000	73,095	5,500,000	83,851
Balance, end of year		268,678		324,809

All marketable securities are classified as FVTPL.

During the year ended April 30, 2023, the Company received an additional 200,000 shares of Benton Resources Inc. (“Benton”) pursuant to the amended anniversary option agreement on the Company’s Far Lake property. The 925,000 shares the Company currently holds are valued at the July 31, 2023 closing price of \$0.05 (April 30, 2023 - \$0.085). See note 6(d).

The 733,333 shares of Leocor Gold Inc. currently held are valued at the July 31, 2023 closing price of \$0.085 (April 30, 2023 - \$0.115). See note 6(d).

During the year ended April 30, 2023, the Company received 300,000 shares of Goldshore Resources Inc. (“Goldshore”) pursuant to an agreement to option the Company’s Iris Lake and Vanguard properties. During the period ended July 31, 2023 the Company received an additional 300,000 shares pursuant to the first anniversary (restricted from trading until November 29, 2023). The Goldshore shares are valued at the July 31, 2023 closing price of \$0.145 (April 30, 2023 - \$0.26). See note 6(d).

During the year ended April 30, 2021, the Company received 5,500,000 shares of Noronex Ltd. (“Noronex”) (ASX: NRX) pursuant to the Company’s binding letter agreement with RZJ Capital Management executed during April 30, 2020 related to the Company’s DorWit Copper-Silver property in Namibia held by the Company’s 25%-owned Namibian subsidiary Aloe 237. The shares are valued at the July 31, 2023 closing price of \$0.015 AUD per share (April 30, 2023 - \$0.017 AUD) translated at the July 31, 2023 exchange rate of \$0.8858 CAD (April 30, 2023 - \$0.8968 CAD).

5. PROPERTY AND EQUIPMENT

	July 31, 2023			April 30, 2023		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
General Equipment	\$ 62,905	\$ 13,327	\$ 49,578	\$ 62,905	\$ 10,718	\$ 52,187
Computer Equipment	10,348	5,146	5,202	10,348	4,486	5,862
	<u>\$ 73,253</u>	<u>18,473</u>	<u>54,780</u>	<u>73,253</u>	<u>15,204</u>	<u>58,049</u>

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

For the three months ended July 31, 2023

	Tower Mountain (a)	Other (b)	Total
April 30, 2023 - Acquisition Costs	\$ 718,224	48,011	766,235
Additions	227,438	-	227,438
Write-downs	-	-	-
Recoveries/Earn-Ins	-	-	-
<i>Subtotal</i>	\$ 227,438	-	227,438
July 31, 2023- Acquisition Costs	\$ 945,662	48,011	963,673
April 30, 2023 - Exploration and Evaluation Expenditures	\$ 5,362,514	1,337,458	5,499,972
Assaying	340	-	340
Geology	16,608	3,596	20,204
Soil Sampling	-	459	459
Drilling and related	11,391	-	11,391
Write-downs	-	-	-
Recoveries	-	-	-
<i>Subtotal</i>	\$ 28,339	4,055	32,394
July 31, 2023 - Exploration and Evaluation Expenditures	\$ 5,390,853	141,513	5,532,366
July 31, 2023 - Total	\$ 6,336,515	189,524	6,526,039

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

For the year ended April 30, 2023

	Tower Mountain (a)	Other (b)	Total
April 30, 2022 - Acquisition Costs	\$ 543,874	39,116	582,990
Additions	174,350	8,895	183,245
Write-downs	-	-	-
Recoveries/Earn-Ins	-	-	-
<i>Subtotal</i>	\$ 174,305	8,895	183,245
April 30, 2023- Acquisition Costs	\$ 718,224	48,011	766,235
April 30, 2022 - Exploration and Evaluation Expenditures	\$ 3,443,427	103,617	3,547,044
Assaying	139,764	6,537	146,301
Prospecting	8,389	18,782	21,171
Geology	67,019	2,222	69,241
Geophysics	466,319	-	466,319
Soil Sampling	799	6,300	7,099
Trenching	2,944	-	2,944
Drilling and related	1,225,728	-	1,225,728
Road Building/Maintenance	4,168	-	4,168
Miscellaneous	3,957	-	3,957
Write-downs	-	-	-
Recoveries	-	-	-
<i>Subtotal</i>	\$ 1,919,087	33,841	1,952,928
April 30, 2023 - Exploration and Evaluation Expenditures	\$ 5,362,514	137,458	5,499,972
April 30, 2023 - Total	\$ 6,080,738	185,469	6,266,207

a) Tower Mountain Gold Project, Ontario

During the year ended April 30, 2021, the Company signed a binding letter of intent ("LOI") with Melvin Stewart to enter into an option agreement to earn a 100% interest in the Tower Mountain Gold Project ("Tower Mountain"), located approximately 40 km northwest of the port city of Thunder Bay, Ontario. Pursuant to the terms of the LOI, to exercise the option the Company is required to make cash payments totaling \$150,000 and to issue 1,200,000 common shares to the optionor (all payments completed)

The optionor shall retain a 1% Net Smelter Return royalty ("NSR"), of which the Company may purchase half (0.5%) by paying the optionor \$1,000,000, over claims that the optionor is able to receive an NSR without being in breach of a purchase agreement between the optionor and a third party. The Company shall also grant the optionor a 2% NSR over claims the Company stakes within a 1.6-kilometre area of interest and make advance royalty payments of \$5,000 per year, payable in cash or shares, after the third year of the option agreement.

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(continued)*

In addition, during the year ended April 30, 2021, the Company entered into an agreement (the “Agreement”) to purchase a 100% ownership interest in the mining rights to a patent (the “Anderson Patent”) (the “Optionors”), located within the core area of the Property. The Company may exercise its option under the Agreement by providing the Optionors with the following:

- a non-refundable deposit of \$20,000 upon execution of the Agreement (completed);
- issuing to the Optionors 300,000 common shares upon receipt of TSX-V approval of the Option (issued);
- paying to the Optionors \$30,000 (paid) and issuing a further 400,000 shares (issued) to the Optionors on or before the first anniversary of the date of the Agreement;
- paying to the Optionors \$30,000 (paid) and issuing a further 400,000 shares (issued) to the Optionors on or before the second anniversary of the date of the Agreement; and
- paying to the Optionors \$70,000 and issuing a further 500,000 shares to the Optionors on or before the third anniversary of the date of the Agreement.

The Property will be subject to a 2.5% NSR in favour of the Optionors, of which one percent (1.0%) can be purchased by the Company for \$1,000,000 at any time (the “NSR Purchase Right”). The Optionors will, at any time, have the right to sell the 1.5% NSR not covered by the NSR Purchase Right subject to the Company having a right of first refusal to purchase such interest.

Finally, during the year ended April 30, 2021, the Company entered into an option agreement (the “Nichols Option”) to purchase a 100% interest in a freehold patent (the “Nichols Patent”) located to the southeast of the Property by completing the following:

- paying the optionors of the Nichols Patent a non-refundable deposit of \$20,000 upon execution of the Nichols Option (paid);
- issuing to the optionors of the Nichols Patent 300,000 common shares of the Company upon receipt of approval from the TSX Venture Exchange (received and issued);
- paying the optionors of the Nichols Patent \$30,000 (paid) and issuing a further 400,000 common shares (issued) of the Company on or before the first anniversary of the Nichols Option agreement;
- paying the optionors of the Nichols Patent \$30,000 (paid) and issuing a further 500,000 common shares (issued) of the Company on or before the second anniversary of the Nichols Option agreement; and
- paying the optionors of the Nichols Patent \$70,000 and issuing a further 900,000 common shares of the Company on or before the third anniversary of the Nichols Option agreement;

If the Company establishes a National Instrument 43-101 compliant economic resource of 750,000 ounces of gold or greater on the Nichols Patent, the Company will issue 1 million common shares to the optionors of the Nichols Patent.

The Nichols Patent will be subject to a 2% NSR in favour of the optionors of the Nichols Patent of which 1% can be purchased by the Company for \$1,000,000 at any time (the “NSR Purchase Right”). The optionors of the Nichols Patent will, at any time, have the right to sell the 1% NSR not covered by the NSR Purchase Right subject to the Company having a right of first refusal to purchase such interest.

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(continued)*

b) Other Properties

The Company also retains certain other early-stage mineral property interests and significant transactions involving them are noted here:

Pen Gold Property, Ontario

The 100% owned Pen Gold property was acquired by staking in 2019 and consists of 226 single cell mining claims covering 4,635 hectares. The property is located 275 km northeast of Thunder Bay, Ontario and less than 1 km east of Geraldton, ON.

Far Lake Copper-Silver Property, Ontario

During the year ended April 30, 2018, the Company acquired by staking a 100% interest in the Far Lake Copper-Silver Property located approximately 80 km northwest of Thunder Bay, Ontario.

During the year ended April 30, 2021, the Company signed a letter of intent (“LOI”) with Benton Resources Inc., (“Benton”) for Benton to earn up to a 70% interest in the Far Lake Copper-Silver Project (the “Project”). Under the terms of the LOI, Benton would acquire from the Company in an initial option for a 60% interest in the Project (the “Initial Option”), followed initially by a second option to acquire an additional 10% interest in the Project but which was cancelled as part of the amendment more fully described below.

Initial Option: It is contemplated that Benton may exercise the Initial Option by completing the following:

- Paying \$25,000 and issuing 300,000 common shares to the Company within three days of receipt of TSX-V approval for the LOI (received);
- Completing \$200,000 of exploration expenditures on the Project on or before the first anniversary of execution of the LOI (completed);
- Paying \$30,000 and issuing 400,000 common shares to the Company on or before the first anniversary of execution of the LOI (received);
- Completing an additional \$200,000 of exploration expenditures on the Project on or before the second anniversary of execution of the LOI (completed);
- Paying \$50,000 and issuing 400,000 common shares to the Company on or before the second anniversary of execution of the LOI (amended as per below);
- Completing an additional \$300,000 of exploration expenditures on the Project on or before the third anniversary of execution of the LOI (completed);
- Paying \$100,000 and issuing 500,000 common shares to the Company on or before the third anniversary of execution of the LOI (amended as per below); and
- Completing an additional \$300,000 of exploration expenditures on the Project on or before the fourth anniversary of execution of the LOI (completed).

During the year ended April 30, 2023, the Company and Benton amended the Far Lake option agreement. Pursuant to the Amending Agreement, Benton may exercise the Initial Option, earning a 60% interest in Far Lake, by paying \$25,000 and issuing 200,000 shares to Thunder Gold (originally \$150,000 and 900,000 shares required) by July 15, 2022 (received). Benton previously completed the \$1.0 million of exploration expenditures required to exercise the Initial Option. The Second Option in the original agreement has been eliminated such that Benton is limited to earning a 60% interest in Far Lake.

Having exercised the Initial Option, Benton has agreed to spend the first \$150,000 in exploration expenditures within 24 months and thereafter Benton and the Company will form a joint venture with terms consistent with usual industry practice

THUNDER GOLD CORP. (formerly White Metal Resources Corp.)

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended July 31, 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS *(continued)*

for further development of Far Lake, with Benton having an initial 60% interest and the Company having an initial 40% interest in the joint venture. The agreement governing the joint venture will contain provisions which provide for dilution for non-participation in programs including a provision for participant's interest to be converted to a 2.0% NSR if its interest is diluted to less than 10%, half of which can be purchased by the non-diluted party for \$1.0 million at any time.

Pickle Lake Gold Project royalty interests, Ontario

The Pickle Lake gold properties consist of four claims packages in the Pickle Lake area, Ontario:

- Dorothy-Dobie Lake Property
- Kasagiminnis Lake Property
- South Limb Property
- Pickle Lake West Property

During fiscal 2019, the Company disposed of its previous ownership interests in these properties to Ardiden Limited ("Ardiden"), an Australian public company, for consideration which included certain royalty interests.

The Company maintains the right to purchase the existing 1% NSR held by Murchison Minerals Ltd. on certain claims within the Dorothy-Dobie and Kasagiminnis properties, pursuant to which 0.5% can be purchased for \$1,000,000 and the second 0.5% can be purchased for \$1,500,000. The Company holds a 1% NSR on certain other claims located within the Dorothy-Dobie claim group. The Company also retains a 2% NSR on the 100%-owned West Pickle and South Limb properties, of which 1% can be purchased by Ardiden for \$1,000,000. Ardiden will have a Right of First Refusal on the remaining 1% NSR.

Startrek Gold-Antimony Project, Newfoundland

During the year ended April 30, 2019, the Company executed an option agreement with Sokoman Minerals Corp. ("Sokoman") to acquire a 100% interest in the Startrek Gold-Antimony Project ("Startrek Property") located east of Benton in central Newfoundland. The property consists of 278 claim units (220 of which were staked by the Company) covering 69,270 hectares. Pursuant to the terms of the option agreement, as amended prior to the current Amending Agreement described below, the Company was required to issue up to 2,250,000 common shares to Sokoman in stages (1,000,000 shares issued).

Under the original option agreement, the Company's remaining obligations to acquire a 100% interest in the property immediately prior to an Amending Agreement entered into during the current year were to issue to Sokoman 500,000 Company common shares on or before December 18, 2020 and 500,000 common shares on or before December 18, 2021. As amended, to exercise the option and acquire the property, the Company issued 750,000 common shares to Sokoman upon execution of the Amending Agreement, and the Company has the right to acquire one-half (0.5%) of the 1% NSR that Sokoman holds on the Startrek Property by paying Sokoman \$500,000. The Company also has the right to acquire the remaining 0.5% NSR from Sokoman by paying Sokoman \$175,000 and issuing that amount of shares equaling a value of \$250,000.

The property is also subject to a 2.0% NSR in favour of the original owner, of which the Company will have the right to exercise Sokoman's right to purchase half (1.0%) for \$1,000,000 at any time by paying Sokoman a further \$175,000 and issuing Company common shares with a value of \$250,000.

In addition, during the year ended April 30, 2021, the Company signed a binding LOI with 1259542 B.C. Ltd, to enter into an Option Agreement (the "Agreement") in respect of the property, with the parties subsequently entering into an assignment agreement whereby Leocor Gold Inc. (now the "Optionee") would assume all obligations under the Agreement.

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6. EXPLORATION AND EVALUATION ASSETS *(continued)*

Under the terms of the Agreement, the Optionee can earn up to a 70% interest in the Property by:

- Paying \$25,000 (received) and issuing 133,333 common shares (received) of the Optionee to Thunder Gold within three days of receipt of TSX-V approval of the Option transaction (approved);
- Completing \$150,000 of exploration expenditures on the Property on or before the first anniversary of execution of the Agreement (completed);
- Paying \$50,000 (received) and issuing 300,000 (received) common shares to Thunder Gold on or before the first anniversary of execution of the Agreement;
- Completing an additional \$250,000 of exploration expenditures on the Property on or before the second anniversary of execution of the Agreement (completed);
- Paying \$75,000 (received) and issuing 433,333 common shares (received) to Thunder Gold on or before the second anniversary of execution of the Agreement; and
- Completing an additional \$500,000 of exploration expenditures on the Property on or before the third anniversary of execution of the Agreement.

Seagull/Disraeli Cu-Ni-PGE Project, Ontario

The Seagull/Disraeli Cu-Ni-PGE Project was previously owned 40% by Canadian International Pharma Corp. (formerly Black Panther Mining Corp.), with the Company and Rainy Mountain Royalty Corp. ("Rainy Mountain") each owning 30%

interests. The Seagull/Disraeli Property (the "Property") consists of 665 single cell mining claims totalling 14,035 hectares in the Anders Lake and Leckie Lake areas.

During the year ended April 30, 2019, the Company signed an agreement to acquire a 100% interest in the Seagull/Disraeli property from its partners. Pursuant to the purchase agreements, the Company completed the acquisition by issuing:

- 200,000 common shares to Canadian International Pharma Corp., and
- 150,000 common shares to Rainy Mountain.

The Company also has the right to purchase, for cash, certain of the outstanding NSR interests on the property, as follows:

- 0.4% of the NSR controlled by Canadian International Pharma Corp. for \$600,000;
- 0.3% of the NSR controlled by Rainy Mountain for \$450,000; and
- 1.4% of the aggregate 2.4% NSR held by a prior owner of the property for \$2,000,000.

Iris Lake/Vanguard Projects, Ontario

During the year ended April 30, 2023, the Company completed an option agreement (the "Goldshore Agreement") with Goldshore Resources Corp. ("Goldshore") on the Company's Iris Lake and Vanguard properties (the "Property") located in the Shebandowan Greenstone Belt in northwestern Ontario, Canada.

Goldshore can earn a 75% interest in the Property by making total cash payments of \$110,000 over a three (3) year term paid as follows:

- \$10,000 within five days of receipt of TSX Venture Exchange approval (the "Effective Date") (received);
- \$20,000 on or before the 12-month anniversary of the Effective Date (received);
- \$30,000 on or before the 24-month anniversary of the Effective Date; and
- \$50,000 on or before the 36-month anniversary of the Effective Date.

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6. EXPLORATION AND EVALUATION ASSETS *(continued)*

Issuing 1,500,000 common shares of Goldshore as follows:

- 300,000 shares within five days of the Effective Date; 300,000 shares on or before the 12-month anniversary of the Effective Date (received and restricted from trading until November 29, 2023);
- 400,000 shares on or before the 24-month anniversary of the Effective Date; and
- 500,000 shares on or before the 36-month anniversary of the Effective Date.

Incurring exploration expenditures of not less than \$1,650,000 as follows by way of May 29, 2023 amendment to agreement:

- \$100,000 on or before the 6-month anniversary of the Effective Date (completed);
- \$120,000 on or before the 12-month anniversary of the Effective Date (completed);
- \$680,000 on or before the 24-month anniversary of the Effective Date; and
- \$750,000 on or before the 36-month anniversary of the Effective Date.

7. INVESTMENT IN ALOE INVESTMENTS TWO HUNDRED AND THIRTY SEVEN (PROPRIETARY) LIMITED

During the year ended April 30, 2023, the Company's shareholding was diluted to 25% of the common shares of Aloe 237 and as such, the accounts of Aloe 237 were deconsolidated during the 2023 fiscal year and the Company's investment is now accounted for as an equity investment and carried at a nominal amount. A gain on disposition of Aloe 237 totalling \$18,024 was recorded in income during the year ended April 30, 2023 and the balance in non-controlling interests has been adjusted for this deconsolidation.

8. DISPOSITION OF ALOE INVESTMENTS TWO HUNDRED AND THIRTY EIGHT (PROPRIETARY) LIMITED

During the year ended April 30, 2023, the Company entered into an option amending agreement with Himba in respect to the Company's 95% interest in the Taranis (Okohongo) Copper-Silver project in Namibia (the "Amending Agreement").

The Amending Agreement amends the option to purchase agreement dated July 15, 2022 (the "Original Option Agreement") pursuant to which Himba or its assigns, has the option to acquire the Company's 95% interest in Aloe 238 (the "Option"). In accordance with the terms of the Original Option Agreement as amended by the Amending Agreement, to exercise the Option, Himba or its assigns is required to:

- Pay to the Company US\$50,000 (\$61,915 CAD recorded in income in the previous year) as a non-refundable deposit (the payment of which was previously made under the Original Option Agreement);
- Pay to the Company US\$50,000 (\$64,100 CAD) upon completion of a 45-day due diligence period in favour of Himba (the payment of which was made under the Original Option Agreement);
- Pay to the Company US\$400,000 (\$515,250 CAD) on or before May 31, 2022 (the payment of which was made under the Original Option Agreement);
- Pay to the Company US\$500,000 (\$675,000 CAD) on October 28, 2022 (the payment of which was made on October 28, 2022, under the Amending Agreement); and
- Grant to the Company a 1.00% net smelter royalty (the "NSR") over Himba's or its assign's share of Aloe 238's commercial production from the property covered by the License;

In accordance with the terms of the Original Option Agreement and the Amending Agreement; Himba shall assist Iron Bull Mining Inc. ("Iron Bull"), which owns 100% of Himba, in becoming a publicly traded company on a recognized stock exchange in Canada ("Recognized Exchange"). Having made the payment of the US\$500,000 referred to above, Himba acquired the right to have the shares of Aloe 238 owned by the Company (the "Aloe Shares") transferred to it in consideration of the issuance to the Company by Iron Bull of a convertible promissory note (the "Note") which will be issued to the Company in conjunction with the completion of the transfer of the Aloe Shares by the Company to Himba, a

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8. DISPOSITION OF ALOE INVESTMENTS TWO HUNDRED AND THIRTY EIGHT (PROPRIETARY) LIMITED (continued)

process which was completed during the year ended April 30, 2023. The Note will contain the following terms and conditions:

- The Note shall be in the aggregate sum of US\$1,000,000 (the "Note Amount"), shall be non-interest bearing and was to initially mature on March 31, 2023 (carried at the July 31, 2023 CAD equivalent amount of \$1,317,700) and mutually extended during the year ended April 30, 2023 by both parties to mature on October 28, 2023;
- The Note Amount shall, based on an exchange rate at the time of conversion, be convertible into units of Iron Bull ("Units") at a price of C\$0.40 per Unit, each Unit consisting of one common share and one common share purchase warrant exercisable at C\$1.20 for three years from the date of issuance;
- The Note Amount shall, at the option of Iron Bull, be converted into Units at any time after Iron Bull has had its common voting shares listed on a Recognized Stock Exchange; and
- The Note shall impose the requirement on Iron Bull, should either party exercise its right of conversion under the Note, to issue additional common voting shares of Iron Bull (the "Top-Up Issuance") to the Company, after Iron Bull's common voting shares have been listed on a Recognized Stock Exchange, if the Iron Bull shares' volume-weighted average price for the preceding 14-day period ended on the day that is two (2) years after the day Iron Bull common voting shares are issued to the Company is less than CAD \$0.40 per Iron Bull common voting share (the "Dilution Price"), on the following basis: $[(C\$0.40 / \text{Dilution Price}) \times \text{the number of Iron Bull common voting shares held by the Company at the time of the Top-Up Issuance}]$ less the number of Iron Bull common voting shares held by the Company at the time of the Top-Up Issuance.

The Original Option Agreement as amended by the Amending Agreement also contains the following terms and conditions:

- In the event that Himba has failed to cause the shares of Iron Bull to be listed on a Recognized Stock Exchange by October 28, 2023, either directly or through a reverse takeover Himba will, at the option of the Company, cause the Aloe Shares transferred to it to be transferred back to the Company;
- The Company will be granted a 1.0% Net Smelter Return royalty ("NSR") over Himba's or its assigns' interest in the property covered by the License with the right of Himba or its assigns to purchase 0.25% of the NSR for US\$1.0 million;
- The Company will be paid US\$1.0 million and be issued such number of common shares of Iron Bull having an aggregate value of US\$1,000,000 if a NI 43-101 compliant mineral resource estimate is outlined on the property covered by the License that exceeds 50 million tonnes of copper at greater than or equal to 1.0% Cu equivalent; and
- Himba or its assigns will repay to the Company taxes paid by the Company to the Namibian government as a result of the transfer of the shares of Aloe 238 to Himba upon Himba reaching commercial production or within a maximum of six months from the start of commercial production.

The Company has recorded a gain on the disposition of its 95% interest in the common shares of Aloe 238 during the year ended April 30, 2023. Pursuant to this disposition, \$746,829 of the funds received from Himba settled the outstanding intercompany loan receivable balance that the Company was owed from Aloe 238. The remaining proceeds including the Note net of the nominal carrying value of the Company's shares in Aloe 238 resulted in a gain on disposition in the amount of \$1,905,429 in the current year. The Company has also estimated foreign income taxes payable to the Namibian Revenue Agency in the amount of \$598,084 as a result of this disposition (based upon an anticipated tax rate of 32%). During the year ended April 30, 2023, the Company filed its provisional tax return in Namibia and paid an initial tax installment of \$158,606 leaving a remaining estimate foreign income tax liability of \$439,479 at July 31, 2023 (April 30, 2023 - \$439,479).

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9. SHARE CAPITAL

a) The authorized share capital of the Company consists of an unlimited number of common shares.

Details of the Company's share capital transactions during the year ended April 30, 2023 and three month period ended July 31, 2023 are as follows:

- On June 8, 2022, the Company issued 300,000 shares valued at \$0.055 pursuant to the second anniversary option payment on the Tower Mountain project.
- On December 28, 2022, the Company closed a non-brokered private placement financing of flow-through units and for gross proceeds of \$1,164,004. The Company issued 19,400,068 units at a price of \$0.06 per unit, with each unit consisting of one flow-through common share of the Company and one-half of one common share purchase warrant, each whole warrant exercisable into an additional common share of the Company at a price of \$0.12 for a period of two years from the date of issuance. The Company paid cash finders' fees totalling \$81,520 and issued 1,358,671 finders' warrants exercisable at \$0.06 per share and expiring between December 21st and 29th, 2024.
- On January 13, 2023, the Company issued 400,000 shares valued at \$0.05 pursuant to the second anniversary option payment related to the Anderson Patent.
- On February 28, 2023, the Company issued 500,000 shares valued at \$0.045 pursuant to the second anniversary option payment related to the Nichols Patent.
- On June 8, 2023, the Company issued 300,000 shares valued at \$0.04 pursuant to the third and final anniversary option payment related to the Tower Mountain project.
- On June 19, 2023, the Company issued 4,000,000 shares valued at \$0.04 to Metalla Royalty and Streaming Ltd. for the purchase of 49 mineral claims encompassing 565 hectares contiguous to the Tower Mountain property.

The deferred premium on the issuance of the flow-through shares issued during years ended April 30, 2022 (\$165,000) and 2023 (\$194,001), described above, totalled \$359,001. The cash proceeds of the placements in excess of the fair value of the Company's shares issued is treated as a liability in accordance with IFRS. This liability is reversed into earnings as the Company incurs flow-through eligible exploration and evaluation expenditures. During the period ended July 31, 2023, \$2,938 in flow-through share premiums was recognized as income (July 31, 2022 – \$21,317) resulting in a remaining deferred premium balance of nil (April 30, 2023 - \$2,938).

b) Share-based payments and share purchase options

The Company applies the fair value method of accounting for share-based payments using the Black Scholes valuation model. The fair value of options granted during the years ended April 30, 2023 and 2022 was estimated in accordance with this model applying the following assumptions:

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9. SHARE CAPITAL (continued)

Grant Date	Fair Value of Each Vested Option	Dividend Yield	Expected Volatility	Risk-free Interest Rate	Expected Life
May 18, 2021	\$0.10190	0%	165%	0.95%	5 years
June 7, 2021	\$0.10190	0%	165%	0.89%	5 years
July 28, 2021	\$0.10090	0%	158%	0.80%	5 years
November 9, 2021	\$0.08278	0%	157%	1.35%	5 years
December 20, 2021	\$0.05022	0%	136%	0.95%	2 years
June 16, 2022	\$0.05482	0%	160%	3.3%	5 years
November 7, 2022	\$0.04699	0%	164%	3.68%	5 years
January 30, 2023	\$0.02763	0%	148%	4.54%	1 year

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
		\$
Outstanding, April 30, 2022	10,355,000	0.12
Granted	8,150,000	0.07
Expired/Cancelled	(4,680,000)	0.11
Outstanding, April 30, 2023/July 31, 2023	13,825,000	0.09

(1) At July 31, 2023, the weighted-average remaining contractual life of stock options outstanding is 2.1 years (April 30, 2023 – 2.35 years)

As at July 31, 2023, the following options were outstanding:

Number of Options	Exercise Price	Expiry Date
	\$	
960,000	0.10	June 20, 2024
1,615,000	0.10	October 1, 2025
400,000	0.15	January 6, 2026
2,200,000	0.15	June 7, 2026
300,000	0.10	November 9, 2026
200,000	0.10	December 20, 2023
2,800,000	0.10	June 16, 2027
750,000	0.05	November 7, 2027
4,600,000	0.05	January 30, 2024
13,825,000		

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9. SHARE CAPITAL (continued)

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Outstanding, April 30, 2022	47,549,757	0.14
Issued to investors in private placement	9,700,034	0.12
Issued to finders in private placement	1,358,671	0.06
Expired during the period	(46,994,257)	0.15
Outstanding, April 30, 2023/July 31, 2023	11,614,205	0.12

As at July 31, 2023, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
	\$	
555,500	0.18	December 15, 2023
5,100,000	0.12	December 21, 2024
800,000	0.06	December 21, 2024
1,266,700	0.12	December 28, 2024
92,004	0.06	December 28, 2024
3,333,334	0.12	December 29, 2024
466,667	0.06	December 29, 2024
11,614,205		

1,358,671 brokers' warrants were issued on December 21, 2022 through December 29, 2022 pursuant to the closing of a private placement. The recorded fair value of each warrant is \$0.03156 and was estimated on the issuance date with the following assumptions: dividend yield of 0%, expected volatility of 135%, a risk-free interest rate of 1.15% and an expected life of approximately 2 years using the Black Scholes valuation model. \$42,878 was recorded as share issue costs pursuant to this issuance.

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	July 31, 2023	July 31, 2022
	\$	\$
Salaries and benefits	45,288	24,255
Share-based payments	-	148,005
Consulting, property contracting services, and equipment rentals	15,000	33,625
Total key management personnel compensation	60,288	205,885

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value. Details of the balances in the table above are more fully described below.

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10. RELATED PARTY TRANSACTIONS *(continued)*

During the period ended July 31, 2023, Wesley Hanson, President and CEO of the Company, earned \$45,288 in salary and statutory benefits (July 31, 2022 –\$24,255).

During the period ended July 31, 2023, Caracle Creek International Consulting Inc., a company controlled by Dr. Scott Jobin-Bevans, Director for the Company, billed the Company nil (July 31, 2022 - \$1,750) for monthly consulting fees related to his duties as interim President and CEO which concluded during the previous year.

During the period ended July 31, 2023, 2803923 Ontario Inc., a company controlled by David Speck, billed the Company \$15,000 plus HST (July 31, 2022 – \$15,000) for corporate development consulting services and services related his role as CFO for the Company.

11. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments entered into pursuant to flow-through share purchase agreements.

12. GEOGRAPHIC SEGMENTED INFORMATION

Details are as follows:

	Canada	Namibia	Total
	\$	\$	\$
July 31, 2023			
Income (loss) and comprehensive income (loss) for the period	(232,902)	-	(232,902)
Current assets	1,430,216	1,317,700	2,747,916
Non-current assets	6,580,819	1	6,580,820
Total assets	7,950,254	1,317,701	9,328,736
Total liabilities	59,418	439,479	498,897
April 30, 2023			
Income (loss) and comprehensive income (loss) for the period	455,570	(293)	455,277
Current assets	2,093,359	1,357,800	3,451,159
Non-current assets	6,324,256	1	6,324,257
Total assets	8,417,615	1,357,801	9,775,416
Total liabilities	445,196	439,479	884,675

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13. SUBSEQUENT EVENT

The following event occurred after the reporting date of July 31, 2023:

- The Company was selected to receive up to \$200,000 from the Ontario government's Ontario Junior Exploration Program (OJEP). The funds will be utilized to fund exploration activity on the Company's Pen gold property located 9 km east of Geraldton, Ontario.