

**Kestrel Gold Inc**  
(An Exploration Stage Company)

**Condensed Interim Financial Statements**  
(Unaudited)

**For the Nine Months Ended June 30, 2024**  
Expressed in Canadian Dollars

## **Notice of No Auditor Review of Unaudited Condensed Interim Financial Statements**

The accompanying unaudited condensed interim Financial Statements of Kestrel Gold Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management. These Financial Statements have not been reviewed by the Company’s external auditors.

Calgary, Alberta  
August 28, 2024

# Kestrel Gold Inc.

(An Exploration Stage Company)

## Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian Dollars)

	Note	Jun 30 2024	Sep 30 2023
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 170,204	\$ 201,045
Accounts receivable		8,723	13,991
Prepaid expenses		2,500	2,200
		<b>181,427</b>	<b>217,236</b>
Exploration and evaluation assets	3	1,043,452	1,139,039
		<b>\$ 1,224,879</b>	<b>\$ 1,356,275</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	5	\$ 45,199	\$ 95,711
		<b>45,199</b>	<b>95,711</b>
<b>Shareholders' Equity</b>			
Share capital	4	15,567,279	15,494,727
Other equity reserves		1,960,796	1,934,796
Deficit		(16,348,395)	(16,168,959)
		<b>1,179,680</b>	<b>1,260,564</b>
		<b>\$ 1,224,879</b>	<b>\$ 1,356,275</b>

Subsequent events 4, 5

Approved on behalf of the Board:

Signed "Patrick Lynch"

Patrick Lynch, Director

Signed "Scott Kellaway"

Scott Kellaway, Director

The accompanying notes are an integral part of these Financial Statements.

**Kestrel Gold Inc.**

(An Exploration Stage Company)

**Condensed Interim Statements of Loss and Comprehensive Loss****(Unaudited)****(Expressed in Canadian Dollars)**

	Three months ended Jun 30, 2024	Three months ended Jun 30, 2023	Nine months ended Jun 30, 2024	Nine months ended Jun 30, 2023
<b>Expenses</b>				
Consulting fees	\$ 25,150	\$ 20,620	\$ 65,488	\$ 64,340
Stock-based compensation	-	-	26,000	-
Impairment	47,670	-	47,670	-
Investor relations	16,062	16,830	22,946	26,067
Listing and filing fees	3,500	1,500	12,326	9,721
Insurance	1,250	1,875	4,700	6,530
Office and administration	2,759	2,217	8,685	6,223
Professional fees	1,903	2,230	3,958	5,103
	<b>98,294</b>	<b>45,272</b>	<b>191,773</b>	<b>117,984</b>
Interest earned	(1,171)	-	(12,337)	-
<b>Net and Comprehensive Loss</b>	<b>\$ 97,123</b>	<b>\$ 45,272</b>	<b>\$ 179,436</b>	<b>\$ 117,984</b>
<b>Loss per Share</b>	<b>\$ 0.0009</b>	<b>\$ 0.0004</b>	<b>\$ 0.0018</b>	<b>\$ 0.0011</b>
<b>Weighted Average Common Shares</b>	105,114,336	102,614,336	103,539,244	102,493,457

The accompanying notes are an integral part of these Financial Statements.

**Kestrel Gold Inc.**  
(An Exploration Stage Company)  
**Condensed Interim Statements of Cash Flows**  
**(Unaudited)**  
((Expressed in Canadian Dollars))

	Jun 30 2024	Jun 30 2023
<b>Operating Activities</b>		
Net loss for the period	\$ (179,436)	\$ (117,984)
Changes in non-cash working capital		
Impairment	47,670	-
Stock based compensation	26,000	-
Accounts receivable	5,267	31,657
Prepaid expenses	(300)	(970)
Accounts payable and accrued liabilities	(50,512)	(53,056)
	28,125	(22,369)
<b>Cash used for Operating Activities</b>	<b>(151,311)</b>	<b>(140,353)</b>
<b>Financing Activities</b>		
Share issuance costs	(2,448)	-
<b>Cash used by Financing Activities</b>	<b>(2,448)</b>	<b>-</b>
<b>Investing Activities</b>		
Mineral exploration tax credit	142,918	-
Option payment QCM	100,000	-
Exploration and evaluation assets	(120,000)	(59,799)
<b>Cash provided by (used for) Investing Activities</b>	<b>122,918</b>	<b>(59,799)</b>
<b>Outflow of Cash</b>	<b>(30,841)</b>	<b>(200,152)</b>
<b>Cash, Beginning of Period</b>	<b>201,045</b>	<b>461,003</b>
<b>Cash, End of Period</b>	<b>\$ 170,204</b>	<b>\$ 260,851</b>

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## Kestrel Gold Inc.

(An Exploration Stage Company)

### Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited)

(Expressed in Canadian Dollars)

	Number	Share Capital	Other Equity Reserves	Deficit	Total
<b>September 30, 2022</b>	<b>102,014,336</b>	<b>\$15,461,727</b>	<b>\$1,934,796</b>	<b>\$(16,000,711)</b>	<b>\$1,395,812</b>
Shares issued for properties	600,000	33,000	-	-	33,000
Net loss for the period	-	-	-	(117,984)	(117,984)
<b>June 30, 2023</b>	<b>102,614,336</b>	<b>\$15,494,727</b>	<b>\$1,934,796</b>	<b>\$(16,118,695)</b>	<b>\$1,310,828</b>
Net loss for the period	-	-	-	(50,264)	(50,264)
<b>September 30, 2023</b>	<b>102,614,336</b>	<b>\$15,494,727</b>	<b>\$1,934,796</b>	<b>\$(16,168,959)</b>	<b>\$1,260,564</b>
Shares issued for property	2,500,000	75,000	-	-	75,000
Share issuance costs	-	(2,448)	-	-	(2,448)
Share-based compensation	-	-	26,000	-	26,000
Net loss for the period	-	-	-	(179,436)	(179,436)
<b>June 30, 2024</b>	<b>105,114,336</b>	<b>\$15,567,279</b>	<b>\$1,960,796</b>	<b>\$(16,348,395)</b>	<b>\$1,179,680</b>

The accompanying notes are an integral part of these Financial Statements.

# Kestrel Gold Inc.

(An Exploration Stage Company)

## Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

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### 1. Nature of Operations and Going Concern

Kestrel Gold Inc. (the "Company" or "Kestrel") was incorporated under the *Business Corporations Act* (Alberta) on April 12, 2007, and is trading on the TSX Venture Exchange ("TSX-V") under the symbol "KGC". The Company's head office and records office are located at #603 -734 7<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3P8.

The principal business activities include the acquisition, exploration, and evaluation of mineral properties. The Company is exploring and evaluating mineral properties in the Yukon Territory and British Columbia, Canada, with the aim of bringing these properties to production. The underlying value of the mineral properties are dependent upon, among other things, the existence of economically recoverable reserves, the ability of Kestrel to secure financing to complete the exploration and development of its properties, the receipt of necessary permits and upon achieving future profitable production or receiving proceeds from the disposition of the properties. The timing of such events occurring, if at all, is not yet determinable. Kestrel is an exploration stage company, as it has not yet generated any revenue from operations.

These condensed 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 a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business for the foreseeable future as they come due. The Company has incurred losses since inception and as of June 30, 2024, has a deficit of \$16,348,395, (September 30, 2023 - \$16,168,959). The ability of Kestrel to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate equity or debt financing. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

There is no assurance at this time that Kestrel will be able to obtain the necessary financing to continue operations. If the Company is unable to obtain suitable financing in the near future, it will be necessary for management to examine other strategic alternatives to continue operations and enhance shareholder value, including, but not limited to, seeking creditor protection, seeking a joint venture partner, relinquishing its rights to properties or projects deemed uneconomical, the possible sale of some or all of the Company's assets, or the merger, amalgamation or sale of Kestrel with or to a larger, better financed entity.

These condensed interim Financial Statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

### 2. Basis of Presentation

#### (a) Statement of Compliance

These condensed interim consolidated Financial Statements have been prepared in accordance with IFRS applicable to the preparation of interim Financial Statements, as issued by the International Accounting Standards Board ("IASB"), including International Accounting Standard 34 - Interim Financial Reporting. These condensed interim Financial Statements do not contain all of the Statements required for full annual audited Financial Statements. The condensed interim Financial Statements should be read in conjunction with the Company's annual audited Financial Statements for the year ended September 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

The condensed interim Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these condensed interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow Statements.

These condensed interim Financial Statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency.

These Financial Statements were authorized for issue by the Board of Directors on August 28, 2024.

# Kestrel Gold Inc.

(An Exploration Stage Company)

## Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

### (b) Significant accounting policies

In preparing these condensed interim Financial Statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited Financial Statements for the year ended September 30, 2023.

### (c) Accounting estimates and judgments

The preparation of Financial Statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Differences may be material.

## 3. Exploration and evaluation assets

Kestrel's properties are in Western Canada, within the Canadian Cordillera. The Company's property portfolio currently consists of a 100% interest in two properties, QCM and King Solomon Dome. Kestrel has elected to terminate the Fireweed option agreement and has returned the property to the vendor. For additional information on the properties refer to the Company's June 30, 2024, MD&A; September 30, 2023 audited Financial Statements, MD&A and Kestrel's website.

	King Solomon Dome	QCM	Fireweed	Total
<b>September 30, 2022</b>	<b>\$167,170</b>	<b>\$806,639</b>	<b>\$29,270</b>	<b>\$1,003,079</b>
Acquisition costs	-	43,000	-	43,000
Drilling	35,462	4,171	-	39,633
Reporting	-	2,500	18,400	20,900
Prospecting	4,355	14,745	-	19,100
Assaying	7,592	5,735	-	13,327
<b>September 30, 2023</b>	<b>\$214,579</b>	<b>\$876,790</b>	<b>\$47,670</b>	<b>\$1,139,039</b>
Acquisition costs	-	120,000	-	120,000
Mining exploration tax credit	-	(142,917)	-	(142,917)
Issuance of shares	-	75,000	-	75,000
QCM option payment	-	(100,000)	-	(100,000)
Impairment	-	-	(47,670)	(47,670)
<b>June 30, 2024</b>	<b>\$214,579</b>	<b>\$828,873</b>	<b>-</b>	<b>\$1,043,452</b>

On May 8, 2024, the Company announced it had entered into an option agreement with Thompson Creek Metals Inc. a wholly owned subsidiary of Centerra Gold Inc. ("Centerra"), whereby Centerra was granted the option to earn a 75% interest in the QCM gold property. Under terms of the Agreement, Centerra has the right to acquire a 75% interest in the QCM property by making cash payments totaling \$900,000 and spending \$6,500,000 on mineral exploration costs at QCM, over 5 years. Mineral exploration costs must include a minimum of 13,500 metres of diamond drilling or reverse circulation ("RC") drilling.

# Kestrel Gold Inc.

(An Exploration Stage Company)

## Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

### 4. Share Capital

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

#### Common Shares

As of June 30, 2024, Kestrel had 105,114,336 (June 30, 2023 – 102,614,336) common shares outstanding.

During the period ended June 30, 2024, Kestrel issued 2,500,000 common shares at \$0.03 per share with a fair value of \$75,000 to earn a 100% interest in the QCM property.

Subsequent to June 30, 2024, on August 26, Kestrel issued 1,522,100 common shares at a deemed price of \$0.03 per common share pursuant to a debt settlement agreement to settle management fees in the amount of \$45,663.

#### Stock Options

The following stock options were outstanding and exercisable as of June 30, 2024 and June 30, 2023. The following stock options were outstanding and exercisable:

		2024	2023
Expiry Date	Exercise Price	Number of Options	Number of Options
July 25, 2025	\$0.05	3,650,000	3,650,000
October 25, 2025	\$0.10	350,000	350,000
November 15, 2028	\$0.07	2,600,000	-
		<b>6,600,000</b>	<b>4,000,000</b>

Continuity of stock options is as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance on Jun 30, 2023</b>	4,000,000	0.06
<b>Balance on Sep 30, 2023</b>	<b>4,000,000</b>	<b>\$0.05</b>
Issued	2,600,000	0.07
<b>Balance on Jun 30, 2024</b>	<b>6,600,000</b>	<b>\$0.06</b>

After June 30, 2024, on August 1, Kestrel announced the grant of 1,000,000 stock options to key management and a director to purchase in the aggregate 1,000,000 common shares. All stock options have an exercise price of \$0.07 per share and will expire on July 30, 2029.

## Kestrel Gold Inc.

(An Exploration Stage Company)

### Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

#### Warrants

As of June 30, 2024, and June 30, 2023, the following common share purchase warrants were outstanding and exercisable:

		2024	2023
Expiry Date	Exercise Price	Number of Warrants	Number of Warrants
Sep 5, 2024	\$0.05	3,463,720	3,463,720
		3,463,720	3,463,720

Continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance on Sep 30, 2022</b>	<b>11,197,888</b>	<b>\$0.16</b>
Expired	(7,734,168)	0.22
<b>Balance on Jun 30, 2023</b>	<b>3,463,720</b>	<b>\$0.05</b>
<b>Balance on Jun 30, 2024, and Sep 30, 2023</b>	<b>3,463,720</b>	<b>\$0.05</b>

#### 5. Related Party Transactions

The Company entered the following transactions with related parties during the period ended June 30, 2024:

##### Key Management Compensation

Key management personnel are individuals responsible for planning, directing, and controlling the activities of the Company, and include certain directors and officers. Key management compensation comprises:

	2024	2023
Short-term benefits	\$ 62,250	\$ 58,500

Short-term benefits are comprised of management fees payable to the CEO and CFO. For the nine months ended June 30, 2024, the CEO was paid \$48,750 and the CFO was paid \$13,500.

As of June 30, 2024, \$35,663 (2023 – \$14,700) is included in accounts payable and accrued liabilities due to related parties for management fees.

Subsequent to June 30, 2024, on August 23, Kestrel entered into a debt settlement agreement with Rob Solinger to settle management fees owing in the amount of \$45,663 by the issuance of 1,522,100 common shares at a deemed price of \$0.03 per common share.

All advances and amounts due to related parties have repayment terms like the Company's other accounts receivable and payable and are unsecured and without interest.

# Kestrel Gold Inc.

(An Exploration Stage Company)

## Notes to Condensed Interim Financial Statements

(Unaudited)

(Expressed in Canadian Dollars)

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For the nine months ended June 30, 2024, share-based payments of \$10,000 (2023 – nil) are attributable to management.

All the above transactions and balances are in the normal course of operations.

### 6. Capital Management

Kestrel considers its capital under management to be comprised of shareholders' equity. The primary objective of the Company's capital management is to ensure that it maintains a conservative capital ratio to support its business and maximize shareholder value. Kestrel manages its capital structure and adjusts it, based on available funds to the Company and changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or debt securities. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's approach to capital management during the period ended June 30, 2024.

### 7. Financial Instruments and Risk

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. Cash, restricted cash, bank indebtedness, and accounts payable and accrued liabilities are measured based on Level 1 of the fair value hierarchy.

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

#### ***Credit risk***

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, restricted cash and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions, and accounts receivable is held with the Canadian government.

#### ***Liquidity risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2024, the Company had cash of \$170,204, accounts receivable of \$8,723 and current liabilities of \$45,199. The Company's cash is held with major financial institutions. The Company's accounts receivable are GST input credits and accrued interest, and accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company will be required to raise additional equity or debt to settle the Company's future financial commitments and obligations.

#### ***Market risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity prices. The Company is not subject to significant market risk.

### 8. Segment Statements

The Company has one operating segment, mineral exploration and evaluation. All the Company's non-current assets are in Canada.