



EGR EXPLORATION LTD.
(Formerly Gambier Gold Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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

In accordance with National instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

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

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

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	September 30, 2023 (Unaudited)	March 31, 2023 (Audited)
ASSETS			
Current			
Cash		\$ 259,525	\$ 157,461
Amount receivable		11,032	19,982
Prepaid expenses and deposit	10	49,859	29,574
		<u>320,416</u>	<u>207,017</u>
Non-current			
Exploration and evaluation assets	7	627,673	614,300
Equipment		1,917	2,180
		<u>629,590</u>	<u>616,480</u>
		<u>\$ 950,006</u>	<u>\$ 823,497</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	\$ 49,504	\$ 64,592
Note payable - host liability	8	107,339	93,000
Note payable - derivative liability	8	39,000	105,000
		<u>195,843</u>	<u>262,592</u>
SHAREHOLDERS' EQUITY			
Share capital	9	17,523,017	16,892,769
Reserves	9	5,152,038	4,836,081
Deficit		(21,920,892)	(21,167,945)
		<u>754,163</u>	<u>560,905</u>
		<u>\$ 950,006</u>	<u>\$ 823,497</u>

Nature of operations and continuance of operations (Note 1)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 21, 2023.

Approved by the Board of Directors:

"Owen Garfield"

Owen Garfield

"Daniel Rodriguez"

Daniel Rodriguez

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

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars; Unaudited)

	Note	For the three months ended September 30,		For the six months ended September 30,	
		2023	2022	2023	2022
Exploration expenses (recovery)	7	\$ 112,452	\$ (113,837)	\$ 443,707	\$ (125,556)
Administrative expenses					
Accretion expense	8	7,208	-	14,339	-
Bank charges and interest		76	74	202	32,826
Consulting fees	10	-	-	-	79,795
Depreciation		131	176	263	353
Management fee	10	30,000	30,000	60,000	75,000
Office and general		8,523	4,390	13,690	12,307
Professional fees	10	75,293	105,840	131,757	249,836
Share-based payments	9,10	53,710	-	53,710	-
Shareholder communications	10	73,556	1,756	126,786	1,756
Transfer agent and filing fees		2,100	3,140	14,563	12,671
Travel and entertainment		1,638	2,947	3,444	2,947
		<u>252,235</u>	<u>148,323</u>	<u>418,754</u>	<u>467,491</u>
Other items					
Gain on settlement of accounts payable	8,10	-	(301,046)	-	(301,046)
Gain on re-valuation of derivative liability	8	(28,500)	-	(66,000)	-
Write-off of loans payable		-	(186)	-	(496)
Interest income		(524)	-	(658)	-
Flow-through share premium reversal	13	-	-	(42,856)	-
		<u>(29,024)</u>	<u>(301,232)</u>	<u>(109,514)</u>	<u>(301,542)</u>
Net loss (income) and comprehensive loss (income) for the year		\$ 335,663	\$ (266,746)	\$ 752,947	\$ 40,393
Basic and diluted loss (earnings) per share		\$ 0.01	\$ (0.02)	\$ 0.02	\$ 0.00
Weighted average number of common shares outstanding		<u>40,199,202</u>	<u>15,925,274</u>	<u>38,171,312</u>	<u>15,669,433</u>

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

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

	Note	Number of shares	Amount	Reserves	Deficit	Total shareholders' equity (deficiency)
Balance as at March 31, 2022 (Audited)		15,410,781	\$ 16,321,585	\$ 4,251,795	\$ (20,645,747)	\$ (72,367)
Shares issued:						
Shares issued pursuant to agreements	9(b)	666,667	50,000	-	-	50,000
Net loss and comprehensive loss		-	-	-	(40,393)	(40,393)
Balance as at September 30, 2022 (Unaudited)		16,077,448	16,371,585	4,251,795	(20,686,140)	(62,760)
Shares issued:						
Private placement	9(b)(d)	15,875,000	532,314	420,186	-	952,500
Share Issuance costs	9(b)	-	(11,130)	-	-	(11,130)
Share-based compensation	9(c)	-	-	164,100	-	164,100
Net loss and comprehensive loss		-	-	-	(481,805)	(481,805)
Balance as at March 31, 2023 (Audited)		31,952,448	16,892,769	4,836,081	(21,167,945)	560,905
Shares issued:						
Private placement	9(b)(d)	8,246,754	697,496	252,504	-	950,000
Flow-through share premium	13	-	(42,856)	-	-	(42,856)
Share Issuance costs	9(b)(e)	-	(24,392)	9,743	-	(14,649)
Share-based compensation	9(c),10	-	-	53,710	-	53,710
Net loss and comprehensive loss		-	-	-	(752,947)	(752,947)
Balance as at September 30, 2023 (Unaudited)		40,199,202	\$ 17,523,017	\$ 5,152,038	\$ (21,920,892)	\$ 754,163

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

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars; Unaudited)

	For the	
	six months ended September 30,	
	2023	2022
Cash provided by (used for):		
Operating activities		
Net loss	\$ (752,947)	\$ (40,393)
Items not involving cash:		
Accretion expense	14,339	-
Flow-through share premium reversal	(42,856)	-
Depreciation	263	353
Share-based payments	53,710	-
Gain on settlement of accounts payable	-	(301,046)
Loss on re-valuation of derivative liability	(66,000)	-
Write-off of loan payable	-	(496)
Changes in non-cash working capital items:		
Amount receivable	8,950	(110,558)
Prepaid expenses and deposit	(20,285)	6,701
Accounts payable and accrued liabilities	(15,088)	259,106
Cash used in operating activities	<u>(819,914)</u>	<u>(186,333)</u>
Investing activities		
Net expenditures on the exploration and evaluation assets	(13,373)	-
Cash used in investing activities	<u>(13,373)</u>	<u>-</u>
Financing activities		
Shares issued for cash	950,000	-
Share issue costs	(14,649)	-
Loans payable	-	17,743
Cash provided by financing activities	<u>935,351</u>	<u>17,743</u>
Change in cash during the period	102,064	(168,590)
Cash - beginning of the period	157,461	199,582
Cash - end of the period	\$ 259,525	\$ 30,992
Supplemental disclosure of cash flow information		
Cash received during the period:		
Interest	\$ 658	\$ -
Income taxes	\$ -	\$ -

See note 5 supplemental cash flow information.

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

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars; Unaudited)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

EGR Exploration Ltd. (formerly Gambier Gold Corp.) (the “Company” or “EGR”) was incorporated on March 2, 2006 and is domiciled in Canada under the Business Corporations Act (British Columbia). The Company changed its name from Gambier Gold Corp. to EGR, effective on October 17, 2022. Its registered office and records office is Suite 2300 – 550 Burrard Street, Vancouver, BC, V6C 2B5.

The Company’s principal business activity is the acquisition and exploration of mineral properties. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “EGR”.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As of September 30, 2023, the Company has not achieved profitable operations, has accumulated losses of \$21,920,892 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

In February 2022, Russian military forces invaded Ukraine. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy. The Company does not have operations within Russia or Ukraine, and it is not expected that the conflict will directly impact the Company’s operations. However, the long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain, which could adversely affect the Company’s business, operation costs, and financial condition, including the Company’s ability to access capital.

	September 30, 2023	March 31, 2023
Deficit	\$ (21,920,892)	\$ (21,167,945)
Working capital (deficiency)	\$ 124,573	\$ (55,575)

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars; Unaudited)

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and related IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board (“IASB”). The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the Company’s most recent annual financial statements for the year ended March 31, 2023.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the annual financial statements for the year ended March 31, 2023. In the opinion of management, all adjustments considered necessary for a fair presentation of the Company’s financial position, results of operations and cash flows have been included. Operating results for the six-month period ending September 30, 2023, are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2024.

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars; Unaudited)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in a comprehensive loss in the year of the change, if the change affects that year only or in the year of the change and future years if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year is discussed below:

Exploration and Evaluation Asset and Impairment

The application of the Company's accounting policy for the exploration and evaluation of assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an item of expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Going Concern

The assessment of the Company's ability to continue as a going concern requires significant judgement. See Note 1.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Significant estimates

The Company estimates the fair value of convertible note - derivative liability using the Black-Scholes valuation model, which requires assumptions regarding expected volatility, estimated life, conversion price and risk-free rates. A gain or loss on the change of fair value of the derivative liability that is subsequently measured at each reporting date using the Black-Scholes valuation model is recognized in profit or loss in the period in which it arises.

5. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred non-cash financing activities for the six months ended September 30, 2023 and 2022 as follows:

	For the	
	six months ended September 30,	
	2023	2022
Fair value of agent warrants issued	\$ 9,743	\$ -

6. SEGMENTED INFORMATION

The Company currently operates in one industry segment, being mineral exploration and in one geographic area, namely Canada.

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars; Unaudited)

7. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

The following tables summarize the Company's exploration and evaluation assets as at September 30, 2023 and March 31, 2023.

Exploration and evaluation assets	Detour West	Urban Barry	Total
As of March 31, 2022	\$ 561,850	\$ -	\$ 561,850
Shares issued	50,000	-	50,000
Cash - payment	2,450	-	2,450
As of March 31, 2023	614,300	-	614,300
Cash - payment	760	12,613	13,373
As of September 30, 2023	\$ 615,060	\$ 12,613	\$ 627,673

The following tables summarize the Company's exploration expenditures (recovery) for the six months ended September 30, 2023 and 2022.

Mineral exploration expenses for the six months ended September 30, 2023	Detour West	Urban Barry	Total
Assays	\$ 4,614	\$ -	\$ 4,614
Consulting	62,900	3,885	66,785
Freight	350	-	350
Geological	32,025	9,608	41,633
Geophysical	249,000	-	249,000
Helicopter	24,903	-	24,903
Labour	22,880	-	22,880
Mobilization	8,000	-	8,000
Project supervision	230	1,572	1,802
Site visit and report	20,550	3,190	23,740
	\$ 425,452	\$ 18,255	\$ 443,707

Mineral exploration expenses for the six months ended September 30, 2022	Detour West	Total
Assays	\$ 8,665	\$ 8,665
Consulting	12,284	12,284
Geological ⁽¹⁾	(146,505)	(146,505)
	\$ (125,556)	\$ (125,556)

⁽¹⁾ On June 28, 2022, the Company received a credit note of \$72,336 from Pioneer Exploration Consultants Ltd. ("Pioneer") (Note 10) to offset part of the outstanding balance in accounts payable to Pioneer.

During the six months ended September 30, 2022, the Company recorded a recovery of \$113,837 on geological expenses from unrecorded GST/HST on Pioneer's previous invoices incurred during the year ended March 31, 2022. On November 1, 2022, the Company received GST/HST refund of \$120,275, which included the recovery of \$113,837 from the periods prior to the six months ended September 30, 2022.

As a result of the above credit note and the recovery of GST/HST, a negative balance was incurred in mineral exploration expense during the six months ended September 30, 2022.

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
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7. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES *(Continued)*

(a) Detour West, Ontario

On July 27, 2020, the Company entered into a property option agreement with Altus Capital Partners and Luke Schuss (the "Optionors") to acquire 100% interest in 912 mineral titles located in Ontario, Canada, also known as Detour West property. As consideration, the Company was to make cash payments of \$40,000 and issue 2,000,000 common shares of the Company from the date of the Exchange's acceptance (September 10, 2020) as follows:

	Cash	Shares
September 10, 2020	\$ 40,000 (paid)	666,666 (issued)
September 10, 2021	-	666,667 (issued)
September 10, 2022	-	666,667 (issued)
	<u>\$ 40,000</u>	<u>2,000,000</u>

Upon exercise of the Option, the Company will pay to the Optionors a royalty of 2.5% Net Smelter Royalty ("NSR"). The Company shall have the right, to purchase 1.0% of the NSR from the Optionors in consideration of \$500,000.

On July 21, 2022, the Company issued 666,667 common shares valued at \$50,000 (Note 9(b)) and completed the Option to acquire the 100% interest in Detour West.

On February 22, 2023, the Company entered into a property purchase agreement with Luke Schuss (the "Vendor") to acquire 100% interest in an additional 50 claims located within the Detour West property. As consideration, the Company made a cash payments of \$2,450 and granted a 1.25% NSR under the terms of a Royalty Agreement. The Royalty Agreement also contains a provision that allows for a reduction of the Royalty Interest to 0.75% by making a payment of \$250,000 to the Vendor at any time before the property reaches commercial production. During the six months ended September 30, 2023, the Company recorded staking cost of \$760.

(b) Urban Barry, Quebec

The Company held certain claims in the Urban Barry Property in Quebec, Canada. During the six months ended September 30, 2023, the Company recorded staking costs of \$12,613.

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars; Unaudited)

8. CONVERTIBLE NOTE AND SETTLEMENT OF ACCOUNTS PAYABLE

On October 25, 2022, the Company, Pioneer and 101252103 Saskatchewan Ltd. entered into a debt settlement agreement where the Company will make the following payments to settle in full the debt to Pioneer and 101252103 Saskatchewan Ltd.:

- a) Cash payments in the aggregate amount of \$100,000 as follows (paid):
 - i. The greater of \$50,000 and such amount equal to 10% of the gross proceeds received by the Company from a 2022 fall private placement over \$500,000 up to \$1,000,000, up to a maximum of \$100,000; and
 - ii. The balance, if any, which is the difference between \$100,000 and the amount paid per above, shall be paid out of proceeds to be received by the Company from any equity or debt financing by the Company subsequent to the 2022 fall private placement.In December 2022, the Company paid the aggregate amount of \$100,000 to Pioneer.

- b) The issuance by the Company to Pioneer of an unsecured convertible note of \$150,000 (the "Convertible Note"), with a term of two years, convertible at:
 - i. \$0.18 per share in year one; or
 - ii. The greater of market price and \$0.10 per share in year two.

The convertible note does not bear any interest and is convertible by Pioneer any time, and can be forced to convert by the Company any time after one year from the issuance of the convertible note.

On November 22, 2022, the Company issued the Convertible Note. The Convertible Note was bifurcated into an embedded derivative representing the conversion option and a host liability. The derivative liability of this Convertible Note was valued at \$63,000, determined using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 3.93% and an expected volatility of 163.44%. The residual amount of \$87,000, subtracting the issuance transaction cost of \$4,000 allocated by proration, resulted in \$83,000 recognized as host liability of the Convertible Note, and will be amortized using the effective annual interest rate of 34.48%. The issuance transaction cost of \$2,997 related to the derivative liability by proration was expensed. During the six months ended September 30, 2023, the Company incurred \$14,339 accretion expense (six months ended September 30, 2022 - \$Nil; year-ended March 31, 2023 - \$10,000) in connection with the amortization of the host liability of this Convertible Note, resulting in Note payable – host liability of \$107,339 as of September 30, 2023 (\$93,000 as of March 31, 2023).

On September 30, 2023, the derivative liability of this Convertible Note was re-valued at \$39,000, determined using the Black-Scholes Option Pricing Model assuming an expected life of 1.15 years, expected dividend yield of 0%, a risk-free interest rate of 4.83% and an expected volatility of 153.49%, resulting in a gain on re-valuation of derivative liability of \$66,000.

- c) The issuance of the Company's common shares with a deemed value of \$50,000 at a deemed price per share as may be allowed under the Exchange policies. The Company may, at its option and at any time prior to December 1, 2022, elect to pay Pioneer \$50,000 in cash instead.

The Company elected to pay Pioneer \$50,000 in cash.

During the year ended March 31, 2023, the Company has fulfilled the aggregate of \$150,000 in cash payments to Pioneer.

During the year ended March 31, 2023, upon settling the debt in full with Pioneer, the Company recorded a gain on settlement of accounts payable of \$301,046.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars; Unaudited)

9. SHARE CAPITAL

(a) Authorized:

As of September 30, 2023, the authorized share capital was comprised of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Share issuances:

During the six months ended September 30, 2023:

On May 15, 2023, the Company completed a non-brokered private placement by issuing 6,818,182 units ("Unit") at a price of \$0.11 per unit and 1,428,572 flow-through units of the Company (the "Flow-Through Units") at a price of \$0.14 per Flow-Through Unit for gross proceeds to the Company of \$950,000 (the "Offering"). Each Unit is comprised of one common share of the Company ("Common Share") and one half of one common share purchase warrant ("Warrant"), and each Flow-Through Unit is comprised of one flow-through common share of the Company and one half of one common share purchase warrant. Each full Warrant entitles the holder to purchase one common share of the Company ("Warrant Share") at an exercise price of \$0.22 for a period of three years expiring on May 15, 2026. The fair value of the warrants was \$252,504, which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on the announcement date of \$0.105, risk-free interest rate of 3.83%, dividend yield of 0%, volatility of 157.47% and expected life of three years. In connection with this financing, the Company paid cash finder's fee of \$14,649, and issued 129,900 agent's warrants. Each agent's warrant entitles the holder to purchase one common share of the Company at a price of \$0.11 per share for a period of one year, expiring on May 15, 2024. The Company fair valued the agent's warrants at \$9,743. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price \$ on the announcement date of \$0.105, risk-free interest rate of 3.83%, dividend yield of 0%, volatility of 213.36% and expected life of one year.

During the year ended March 31, 2023:

On July 21, 2022, the Company issued 666,667 common shares pursuant to a property agreement valued at \$50,000 (Note 7(a)).

On December 14, 2022, the Company completed a non-brokered private placement by issuing 15,875,000 units at a price of \$0.06 per Unit for gross proceeds of \$952,500. Each Unit is comprised of one common share of the Company and one non-transferable common share purchase warrant. Each full Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.12 per Warrant Share for a period of three years expiring on December 14, 2025. The fair value of the warrants was \$420,186, which was included in equity reserves. The fair value used to determine the pro-rata allocation to the warrants has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on the announcement date of \$0.06, risk-free interest rate of 3.7%, dividend yield of 0%, volatility of 162.22% and expected life of three years. The Company may elect to accelerate the expiry of the Warrants in the event the closing price of the Common Shares on the Exchange equals or exceeds \$0.24 per Common Share for thirty consecutive trading days commencing April 15, 2023, in which case the Warrants will expire 30 days after the date on which the Company provides written notice of acceleration. The Company incurred share issue costs of \$11,130 in connection with this financing.

EGR EXPLORATION LTD. (formerly Gambier Gold Corp.)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in Canadian Dollars; Unaudited)

9. SHARE CAPITAL (Continued)

(c) Stock options:

The Company has established a stock option plan for directors, employees and consultants, which is administered by the board of directors with full and final authority regarding granting all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis. Options may be exercisable for a maximum of ten years from the date of grant.

Stock option transactions and the number of stock options for the six months ended September 30, 2023 are summarized as follows:

Expiry date		Exercise price	March 31, 2023	Granted	Exercised	Expired / Cancelled	September 30, 2023		
June 1, 2023	(a)	\$ 0.45	276,250	-	-	(276,250)	-		
March 27, 2024	(b)	\$ 0.45	110,625	-	-	-	110,625		
March 27, 2024	(b)	\$ 0.075	225,000	-	-	-	225,000		
September 1, 2024	(c)	\$ 0.075	225,000	-	-	-	225,000		
September 17, 2025		\$ 0.45	150,000	-	-	-	150,000		
January 4, 2028		\$ 0.075	1,800,000	-	-	-	1,800,000		
March 27, 2028		\$ 0.11	175,000	-	-	-	175,000		
September 27, 2028		\$ 0.06	-	1,310,000	-	-	1,310,000		
Options outstanding			2,961,875	1,310,000	-	(276,250)	3,995,625		
Options exercisable			2,961,875	1,310,000	-	(276,250)	3,995,625		
Weighted average exercise price		\$	0.15	\$	0.06	\$	0.45	\$	0.10

As at September 30, 2023, the weighted average contractual remaining life of options is 3.92 years (March 31, 2023 – 3.81 years).

Stock option transactions and the number of stock options for the year ended March 31, 2023 are summarized as follows:

Expiry date		Exercise price	March 31, 2022	Granted	Exercised	Expired / Cancelled	March 31, 2023		
January 11, 2023		\$ 0.60	237,333	-	-	(237,333)	-		
February 14, 2023	(a)	\$ 0.45	110,625	-	-	(110,625)	-		
June 1, 2023	(a)	\$ 0.45	276,250	-	-	-	276,250		
March 27, 2024	(b)	\$ 0.45	110,625	-	-	-	110,625		
March 27, 2024	(b)	\$ 0.075	-	225,000	-	-	225,000		
September 17, 2025		\$ 0.45	150,000	-	-	-	150,000		
January 4, 2028		\$ 0.075	-	2,025,000	-	-	2,025,000		
March 27, 2028		\$ 0.11	-	175,000	-	-	175,000		
Options outstanding			884,833	2,425,000	-	(347,958)	2,961,875		
Options exercisable			884,833	2,425,000	-	(347,958)	2,961,875		
Weighted average exercise price		\$	0.49	\$	0.08	\$	0.55	\$	0.15

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9. SHARE CAPITAL (Continued)

(c) Stock options (Continued):

- (a) With the resignations and replacement of certain directors, 110,625 of the options with an original expiration date of September 17, 2025, expired on February 14, 2023, 276,250 of the options with an original expiration date of September 17, 2025, expired on June 1, 2023, all being one year after the resignations. The weighted average contractual remaining life of options as at September 30, 2023, and March 31, 2023, is calculated based on the updated expiry date of these options.
- (b) With the resignation of a director, the options, with original expiration dates of September 17, 2025, and January 4, 2028, will expire on March 27, 2024.
- (c) With a director not standing for re-election at the September 1, 2023 annual general meeting, the options, with an original expiration date of January 4, 2028 will expire on September 1, 2024.

The weighted average assumptions used to estimate the fair value of options for the six months ended September 30, 2023 of \$53,710 (six months ended September 30, 2022 - \$nil) were as follows:

	2023	2022
Expected dividend yield	0.00%	n/a
Expected stock price volatility	154.10%	n/a
Risk-free interest rate	4.40%	n/a
Forfeiture rate	0.00%	n/a
Expected life of options	5 years	n/a
Share price on grant date	\$0.045	n/a

(d) Warrants:

The continuity of warrants for the six months ended September 30, 2023 is as follows:

Expiry date	Exercise price	March 31, 2023	Issued	Exercised	Expired	September 30, 2023				
September 14, 2023	\$ 0.45	590,567	-	-	(590,567)	-				
April 15, 2024 (a)	\$ 0.69	1,777,778	-	-	-	1,777,778				
December 14, 2025	\$ 0.12	15,875,000	-	-	-	15,875,000				
May 15, 2026	\$ 0.22	-	4,123,376	-	-	4,123,376				
Warrants outstanding		18,243,345	4,123,376	-	(590,567)	21,776,154				
Weighted average exercise price	\$	0.19	\$	0.22	\$	-	\$	0.45	\$	0.19

- (a) On April 12, 2023, the Exchange approved the extension of the 1,777,778 share purchase warrants with an original expiry date of April 15, 2023, to be extended for one year with a new expiration date of April 15, 2024. The exercise price of \$0.69 and all the other terms and conditions of the warrants remained unchanged.

As at September 30, 2023, the weighted average contractual remaining life of warrants is 2.15 years (March 31, 2023 – 2.47 years).

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9. SHARE CAPITAL *(Continued)*

(d) Warrants: *(Continued)*

The continuity of warrants for the year ended March 31, 2023 is as follows:

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	March 31, 2023
December 22, 2022	\$ 0.60	345,513	-	-	(345,513)	-
September 14, 2023	\$ 0.45	590,567	-	-	-	590,567
April 15, 2023 (a)	\$ 0.69	1,777,778	-	-	-	1,777,778
December 14, 2025	\$ 0.12	-	15,875,000	-	-	15,875,000
Warrants outstanding		2,713,858	15,875,000	-	(345,513)	18,243,345
Weighted average exercise price	\$	0.63	\$ 0.12	\$ -	\$ 0.60	\$ 0.19

(e) Agent's warrants:

The continuity of agent's warrants for the six months ended September 30, 2023 is as follows:

Expiry date	Exercise price	March 31, 2023	Issued	Exercised	Expired	September 30, 2023
May 15, 2024	\$ 0.11	-	129,900	-	-	129,900
Agent's warrants outstanding		-	129,900	-	-	129,900
Weighted average exercise price	\$	-	\$ 0.11	\$ -	\$ -	\$ 0.11

As at September 30, 2023, the weighted average contractual remaining life of agent's warrants is 0.62 year (March 31, 2023 – Nil).

The continuity of agent's warrants for the year ended March 31, 2023 is as follows:

Expiry date	Exercise price	March 31, 2022	Issued	Exercised	Expired	March 31, 2023
March 24, 2023	\$ 0.75	90,183	-	-	(90,183)	-
Agent's warrants outstanding		90,183	-	-	(90,183)	-
Weighted average exercise price	\$	0.75	\$ -	\$ -	\$ 0.75	\$ -

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10. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity and include certain current and former directors and officers. Key current and former management compensation comprise of:

For the six months ended September 30, 2023:

	Service for	Key management compensation	Share-based payments	TOTAL
Daniel Rodriguez ⁽⁵⁾ CEO	Management fees	\$ 60,000	\$ 6,150	\$ 66,150
Mark T. Brown ⁽⁶⁾ CFO	Professional fees	\$ 64,150	\$ 6,150	\$ 70,300
Owen Garfield ⁽⁷⁾ Director	Marketing fees, recorded in shareholder communications	\$ 21,000	\$ 5,125	\$ 26,125
Other directors and officers	Option grant	\$ -	\$ 23,575	\$ 23,575

For the six months ended September 30, 2022:

	Service for	Key management compensation	TOTAL
Michael Schuss ⁽¹⁾ Former Director, Chief Executive Officer	Management fees	\$ 35,000	\$ 35,000
Geoff Balderson ⁽²⁾ Former Director, Chief Financial Officer	Consulting fees	\$ 6,000	\$ 6,000
Michael Burns ⁽³⁾ Former Director	Geological and finance charge	\$ (26,880)	\$ (26,880)
Casey Forward ⁽⁴⁾ Former Director	Consulting fees	\$ 47,500	\$ 47,500
Daniel Rodriguez ⁽⁵⁾ CEO	Management fees	\$ 40,000	\$ 40,000
Mark T. Brown ⁽⁶⁾ CFO	Professional fees	\$ 52,500	\$ 52,500

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10. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Related party balances:

Amounts included in Accounts payable and accrued liabilities:	Services for:	As at September 30, 2023	As at March 31, 2023
Daniel Rodriguez ⁽⁵⁾	Expenses reimbursement	\$ 571	\$ -
Mark T. Brown ⁽⁶⁾	Expenses reimbursement	639	-
Pacific Opportunity Capital Ltd. ⁽⁶⁾	Accounting/ Financing	7,350	8,715
Total		\$ 8,559	\$ 8,715

Amounts owing are unsecured, non-interest bearing and have no specific terms of repayment.

Amounts included in Prepaid expenses and deposit:	Services for:	As at September 30, 2023	As at March 31, 2023
Harmony Corporate Services ⁽²⁾	Accounting	\$ -	\$ 3,150
Total		\$ -	\$ 3,150

(1) Michael Schuss ceased to be a director and an officer of the Company on June 1, 2022.

(2) Geoff Balderson's consulting fees were incurred with Harmony Corporate Services, a private company controlled by Mr. Balderson. Mr. Balderson ceased to be a director and an officer of the Company on June 1, 2022.

(3) Michael Burns' consulting fees were incurred with 101252103 Saskatchewan Ltd. and Pioneer, two private companies controlled by Mr. Burns. On February 15, 2022, Mr. Burns resigned from being a director of the Company. The negative amount incurred during the six months ended September 30, 2022 was due to the credit note provided (Note 7). On October 25, 2022, the Company and Pioneer, along with 101252103 Saskatchewan Ltd., settled the amounts owing to \$300,000 (Note 8).

(4) Casey Forward was appointed as a director, effective February 15, 2022. Mr. Forward ceased to be a director on June 1, 2022.

(5) Daniel Rodriguez was appointed as the Chief Executive Officer, effective June 1, 2022.

(6) Mark T. Brown was appointed as the Chief Financial Officer, effective June 1, 2022. Mr. Brown's accounting fees were incurred with Pacific Opportunity Ltd., a private company controlled by Mr. Brown.

(7) Owen Garfield was appointed as the Director, effective June 1, 2022. Mr. Garfield's marketing fees were incurred with Navitas Surveyors Ltd., a private company controlled by Mr. Garfield.

All related party transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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11. CAPITAL RESOURCES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject, other than flow-through commitments (Note 13). The capital of the Company comprises cash and shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

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

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in the note.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at September 30, 2023, the Company had a cash balance of \$259,525 and an amount receivable of \$11,032 to settle accounts payable and accrued liabilities of \$49,504. Further, the Company has a Convertible Note with a principal balance of \$150,000 that is due on November 22, 2024, if not converted before maturity.

The Company's management team will continue to monitor the cash and has planned accordingly.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash, the Company places the instrument with a high-credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash, accounts payable and accrued liabilities and loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of a secondary market and the significant cost of obtaining external appraisals.

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(Continued)*

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is measured at Level 1, and convertible note – derivative liability is measured at Level 2.

The following table sets forth the Company’s financial assets measured at fair value by level within the fair value hierarchy as follows:

September 30, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 259,525	\$ -	\$ -	\$ 259,525
Convertible note - derivative liability	-	39,000	-	39,000
March 31, 2023	Level 1	Level 2	Level 3	Total
Cash	\$ 157,461	\$ -	\$ -	\$ 157,461
Convertible note - derivative liability	-	105,000	-	105,000

13. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the six months that ended September 30, 2023, the Company received \$200,000 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of \$42,856. During the six months ended September 30, 2023, the Company incurred the entire \$200,000 in qualifying exploration expenditures and will renounce eligible expenditures of \$200,000 at the end of the calendar year. These expenditures will not be available to the Company for future deduction from taxable income. As a result, the Company reversed the entire \$42,856 flow through premium and has no deferred premium on flow-through shares as of September 30, 2023.