



# **EGR EXPLORATION LTD.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended September 30, 2024

(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.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

	<b>Note</b>	<b>September 30, 2024</b>	<b>March 31, 2024</b>
		(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Current</b>			
Cash		\$ 67,626	\$ 245,647
Marketable securities	7	45,000	-
Amount receivable		16,252	5,185
Prepaid expenses and deposit		6,542	18,269
		<u>135,420</u>	<u>269,101</u>
<b>Non-current</b>			
Exploration and evaluation assets	8	615,060	615,060
Equipment		1,457	1,654
		<u>616,517</u>	<u>616,714</u>
		<u>\$ 751,937</u>	<u>\$ 885,815</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	11	\$ 89,052	\$ 81,501
Note payable - host liability	9	144,521	125,238
Note payable - derivative liability	9	1,500	30,000
		<u>235,073</u>	<u>236,739</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	17,523,017	17,523,017
Reserves	10	5,152,038	5,152,038
Deficit		(22,158,191)	(22,025,979)
		<u>516,864</u>	<u>649,076</u>
		<u>\$ 751,937</u>	<u>\$ 885,815</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 18, 2024.

Approved by the Board of Directors:

*"David Suda"*

David Suda

*"Daniel Rodriguez"*

Daniel Rodriguez

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

**EGR EXPLORATION LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars; Unaudited)

		For the		For the	
	Note	three months ended	September 30,	six months ended	September 30,
		2024	2023	2024	2023
Exploration expenses	8	\$ 26,250	\$ 112,452	\$ 61,438	\$ 443,707
Administrative expenses					
Accretion expense	9	9,694	7,208	19,283	14,339
Bank charges and interest		30	76	69	202
Depreciation		99	131	197	263
Management fee	11	30,000	30,000	60,000	60,000
Office and general		5,571	8,523	9,474	13,690
Professional fees	11	30,958	75,293	49,377	131,757
Share-based payments	10,11	-	53,710	-	53,710
Shareholder communications	11	7,446	73,556	18,170	126,786
Transfer agent and filing fees		3,976	2,100	6,791	14,563
Travel and entertainment		1,200	1,638	2,541	3,444
		<u>88,974</u>	<u>252,235</u>	<u>165,902</u>	<u>418,754</u>
Other items					
Gain on re-valuation of derivative liability	9	(12,000)	(28,500)	(28,500)	(66,000)
Proceeds received in excess of exploration and evaluation asset costs	8	-	-	(45,000)	-
Write-off of accounts payable		-	-	(21,628)	-
Interest income		-	(524)	-	(658)
Flow-through share premium reversal	14	-	-	-	(42,856)
		<u>(12,000)</u>	<u>(29,024)</u>	<u>(95,128)</u>	<u>(109,514)</u>
Net loss and comprehensive loss for the period		<u>\$ 103,224</u>	<u>\$ 335,663</u>	<u>\$ 132,212</u>	<u>\$ 752,947</u>
Basic and diluted loss per share		<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.02</u>
Weighted average number of common shares outstanding		<u>40,199,202</u>	<u>40,199,202</u>	<u>40,199,202</u>	<u>38,171,312</u>

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

**EGR EXPLORATION LTD.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian Dollars)

		<b>Share capital</b>				<b>Total</b>
	<b>Note</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>	<b>shareholders' equity</b>
<b>Balance as at March 31, 2023 (Audited)</b>		31,952,448	\$ 16,892,769	\$ 4,836,081	\$ (21,167,945)	\$ 560,905
Shares issued:						
Private placement	10(b)(d)	8,246,754	697,496	252,504	-	950,000
Flow-through share premium	14	-	(42,857)	-	-	(42,857)
Share issuance costs	10(b)(e)	-	(24,391)	9,743	-	(14,648)
Share-based payments	10(c),11	-	-	53,710	-	53,710
Net loss and comprehensive loss		-	-	-	(752,947)	(752,947)
<b>Balance as at September 30, 2023 (Unaudited)</b>		40,199,202	17,523,017	5,152,038	(21,920,892)	754,163
Net loss and comprehensive loss		-	-	-	(105,087)	(105,087)
<b>Balance as at March 31, 2024 (Audited)</b>		40,199,202	17,523,017	5,152,038	(22,025,979)	649,076
Net loss and comprehensive loss		-	-	-	(132,212)	(132,212)
<b>Balance as at September 30, 2024 (Unaudited)</b>		<b>40,199,202</b>	<b>\$ 17,523,017</b>	<b>\$ 5,152,038</b>	<b>\$ (22,158,191)</b>	<b>\$ 516,864</b>

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

**EGR EXPLORATION LTD.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars; Unaudited)

	<b>For the</b>	
	<b>six months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Net loss	\$ (132,212)	\$ (752,947)
Items not involving cash:		
Accretion expense	19,283	14,339
Flow-through share premium reversal	-	(42,856)
Depreciation	197	263
Share-based payments	-	53,710
Proceeds received in excess of exploration and evaluation asset costs	(45,000)	-
Gain on re-valuation of derivative liability	(28,500)	(66,000)
Write-off of accounts payable	(21,628)	-
Changes in non-cash working capital items:		
Amount receivable	(11,067)	8,950
Prepaid expenses and deposit	11,727	(20,285)
Accounts payable and accrued liabilities	29,179	(15,088)
Cash used in operating activities	<u>(178,021)</u>	<u>(819,914)</u>
<b>Investing activities</b>		
Net expenditures on the exploration and evaluation assets	-	(13,373)
Cash used in investing activities	<u>-</u>	<u>(13,373)</u>
<b>Financing activities</b>		
Shares issued for cash	-	950,000
Share issuance costs	-	(14,649)
Cash provided by financing activities	<u>-</u>	<u>935,351</u>
<b>Change in cash during the period</b>	(178,021)	102,064
<b>Cash - beginning of the period</b>	245,647	157,461
<b>Cash - end of the period</b>	<u>\$ 67,626</u>	<u>\$ 259,525</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash received during the period:		
Interest	\$ -	\$ 658

See note 5 supplemental cash flow information.

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

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(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, 2024, the Company has not achieved profitable operations, has accumulated losses of \$22,158,191 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.

A summary of the Company’s working capital and its accumulated deficit is as follows:

	September 30, 2024	March 31, 2024
Deficit	\$ (22,158,191)	\$ (22,025,979)
Working capital (deficiency)	\$ (99,653)	\$ 32,362

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024****(Expressed in Canadian Dollars; Unaudited)**

---

**2. BASIS OF PREPARATION****(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated 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, 2024.

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, 2024. 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, 2024, are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2025.

## **EGR EXPLORATION LTD.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024**

**(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.

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**5. SUPPLEMENTAL CASH FLOW INFORMATION**

The Company incurred non-cash financing activities for the six months ended September 30, 2024 and 2023 as follows:

	<b>For the</b>	
	<b>six months ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Fair value of agent warrants issued	\$ -	\$ 9,743
Shares received from sale of exploration and evaluation assets	\$ 45,000	\$ -

**6. SEGMENTED INFORMATION**

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

**7. MARKETABLE SECURITIES**

On June 20, 2024, the Company received 1,000,000 shares of Harvest Gold Corporation valued at \$45,000 pursuant to an option agreement entered into on December 19, 2023 for the Urban Barry Property (Note 8(b)). The shares are measured and presented at fair value using the observable market share price as at the dates of the statements of financial position. The gain or loss as a result of the re-measurement is recorded in profit and loss. As at September 30, 2024, there was no gain or loss as a result of the re-measurement as the market share price remained the same.

<b>September 30, 2024</b>	<b>Number of Shares</b>	<b>Cost</b>	<b>Fair Value</b>
Harvest Gold Corporation	1,000,000	\$ 0.045	\$ 45,000

<b>September 30, 2024</b>	
Net changes in fair value on marketable securities through profit and loss:	
Balance as at March 31, 2024	\$ -
Shares received	45,000
Balance as at September 30, 2024	45,000

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**8. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES**

The following tables summarize the Company's exploration and evaluation assets as at September 30, 2024 and March 31, 2024.

<b>Exploration and evaluation assets</b>	<b>Detour West</b>	<b>Urban Barry</b>	<b>Total</b>
<b>As of March 31, 2023</b>	614,300	-	614,300
Cash - payment	760	12,613	13,373
Cash - option payment received	-	(15,000)	(15,000)
Proceeds received in excess of exploration and evaluation asset costs – recognized as income	-	2,387	2,387
<b>As of March 31, 2024</b>	\$ 615,060	\$ -	\$ 615,060
Shares - option payment received	-	(45,000)	(45,000)
Proceeds received in excess of exploration and evaluation asset costs – recognized as income	-	45,000	45,000
<b>As of September 30, 2024</b>	\$ 615,060	\$ -	\$ 615,060

The following tables summarize the Company's exploration expenditures for the six months ended September 30, 2024 and 2023.

<b>Mineral exploration expenses for the six months ended September 30, 2024</b>	<b>Detour West</b>	<b>Urban Barry</b>	<b>Total</b>
Consulting	\$ 60,400	\$ -	\$ 60,400
Geological	250	750	1,000
Project supervision	-	38	38
	\$ 60,650	\$ 788	\$ 61,438

<b>Mineral exploration expenses for the six months ended September 30, 2023</b>	<b>Detour West</b>	<b>Urban Barry</b>	<b>Total</b>
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

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**8. 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 year ended March 31, 2024, the Company recorded staking cost of \$760.

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**8. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES** *(Continued)***(b) Urban Barry, Quebec**

The Company held certain claims in the Urban Barry Property in Quebec, Canada. During the year ended March 31, 2024, the Company recorded staking costs of \$12,613.

On December 19, 2023, the Company entered into an option agreement (the "Option Agreement") with Harvest Gold Corp. (the "Optionee") for the Optionee to earn a 100% interest in the Urban Barry Property. As consideration, the Optionee will make cash payments of \$90,000 and issue up to 2,750,000 common shares of the Optionee to the Company, and incur \$300,000 exploration expenditures from the date of the Exchange's acceptance (February 28, 2024) as follows:

	<u>Cash</u>	<u>Shares</u>	<u>Exploration expenditures</u>
Upon signing of the Option Agreement and the Exchange's approval	\$ 15,000 (received)	-	\$ -
Upon updated claims status with Ministère des ressources naturelles et des forêts	-	1,000,000 (received)	-
July 2, 2024 **	30,000 (received subsequently)	-	-
December 15, 2024	-	500,000	-
February 28, 2025	-	-	100,000
July 2, 2025	45,000	-	-
December 15, 2025	-	250,000	-
February 28, 2026	-	-	200,000
If there is an NI 43-101 inferred resource estimate of 1,000,000 oz AuEq or greater	-	1,000,000	-
	<u>\$ 90,000</u>	<u>2,750,000</u>	<u>\$ 300,000</u>

\*\* On July 22, 2024, the Company and the Optionee agreed to extend the timing for this payment by paying late fees in cash.

Upon exercise of the Option, the Company will retain a 2.0% NSR on the Urban Barry Property. The Optionee shall have the right, to purchase 1.0% of the NSR from the Company in consideration of \$1,000,000.

The Optionee will expend \$100,000 on the property within one year of the date of the Exchange's approval and an additional \$200,000 on or before the second anniversary of the Exchange's approval of the Option Agreement. The Optionee is to complete two years of work commitments prior to returning any claims.

During the year ended March 31, 2024, the Company received the first cash payment of \$15,000 and recognized the proceeds received in excess of the staking costs of \$2,387 as other income. During the six months ended September 30, 2024, the Company received 1,000,000 common shares of the Optionee with a fair value of \$45,000 (Note 7) and recognized the proceeds received as other income. Subsequently, the Company received \$30,000 option payment plus \$5,000 late fee from the Optionee.

## EGR EXPLORATION LTD.

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

---

#### 9. 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, 2024, the Company incurred \$19,283 accretion expense (six months ended September 30, 2023 - \$14,339; year-ended March 31, 2024 - \$32,238) in connection with the amortization of the host liability of this Convertible Note, resulting in Note payable – host liability of \$144,521 as of September 30, 2024 (\$125,238 as of March 31, 2024).

On September 30, 2024, the derivative liability of this Convertible Note was re-valued at \$1,500, determined using the Black-Scholes Option Pricing Model assuming an expected life of 0.15 year, expected dividend yield of 0%, a risk-free interest rate of 2.94% and an expected volatility of 148.12%, resulting in a gain on re-valuation of derivative liability of \$28,500.

- 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.

**EGR EXPLORATION LTD.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024**

**(Expressed in Canadian Dollars; Unaudited)**

---

**10. SHARE CAPITAL**

(a) Authorized:

As of September 30, 2024, 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, 2024:

No common shares were issued during the six months ended September 30, 2024.

During the year ended March 31, 2024:

On May 15, 2023, the Company completed a non-brokered private placement by issuing 6,818,182 units (the "Units") 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 using the Black-Scholes Option Pricing Model with the following assumptions: share price on the announcement date of \$0.14, 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 \$14,648, 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 using the Black-Scholes Option Pricing Model with the following assumptions: share price on the issuance date of \$0.08, risk-free interest rate of 3.83%, dividend yield of 0%, volatility of 213.36% and expected life of one year.

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**10.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, 2024 are summarized as follows:

Expiry date	Exercise price	March 31, 2024	Granted	Exercised	Expired / Cancelled	September 30, 2024
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		3,435,000	-	-	-	3,435,000
Options exercisable		3,435,000	-	-	-	3,435,000
Weighted average exercise price	\$ 0.09	\$ -	\$ -	\$ -	\$ -	\$ 0.09

As at September 30, 2024, the weighted average contractual remaining life of options is 3.45 years (March 31, 2024 – 3.95 years).

Stock option transactions and the number of stock options for the year ended March 31, 2024 are summarized as follows:

Expiry date	Exercise price	March 31, 2023	Granted	Exercised	Expired / Cancelled	March 31, 2024
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)	-
December 1, 2023 (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	-	(836,875)	3,435,000
Options exercisable		2,961,875	1,310,000	-	(836,875)	3,435,000
Weighted average exercise price	\$ 0.15	\$ 0.06	\$ -	\$ -	\$ 0.25	\$ 0.09

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**10.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 March 31, 2024, 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, expired 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 expired on December 1, 2023.

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

	2024	2023
Expected dividend yield	n/a	0.00%
Expected stock price volatility	n/a	154.10%
Risk-free interest rate	n/a	4.40%
Forfeiture rate	n/a	0.00%
Expected life of options	n/a	5 years
Share price on grant date	n/a	\$0.045

## (d) Warrants:

The continuity of warrants for the six months ended September 30, 2024 is as follows:

Expiry date	Exercise price	March 31, 2024	Issued	Exercised	Expired	September 30, 2024		
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		21,776,154	-	-	(1,777,778)	19,998,376		
Weighted average exercise price	\$	0.19	\$	-	\$	0.69	\$	0.14

- (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. These warrants expired on April 15, 2024.

As at September 30, 2024, the weighted average contractual remaining life of warrants is 1.29 years (March 31, 2024 – 1.65 years).

**EGR EXPLORATION LTD.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024**  
(Expressed in Canadian Dollars; Unaudited)

**10.SHARE CAPITAL** (Continued)

(d) Warrants: (Continued)

The continuity of warrants for the year ended March 31, 2024 is as follows:

Expiry date	Exercise price	March 31, 2023	Issued	Exercised	Expired	March 31, 2024				
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

(e) Agent's warrants:

The continuity of agent's warrants for the six months ended September 30, 2024 is as follows:

Expiry date	Exercise price	March 31, 2024	Issued	Exercised	Expired	September 30, 2024				
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, 2024, the weighted average contractual remaining life of agent's warrants is nil (March 31, 2024 – 0.12 year).

The continuity of agent's warrants for the year ended March 31, 2024 is as follows:

Expiry date	Exercise price	March 31, 2023	Issued	Exercised	Expired	March 31, 2024				
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

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**11. 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 directors and officers. Key management compensation comprise of:

For the six months ended September 30, 2024:

	Service for	Key management compensation	TOTAL
Daniel Rodriguez <sup>(1)</sup> CEO	Management fees	\$ 60,000	\$ 60,000
Mark T. Brown <sup>(2)</sup> CFO	Professional fees	\$ 35,000	\$ 35,000

For the six months ended September 30, 2023:

	Service for	Key management compensation	Share-based payments	TOTAL
Daniel Rodriguez <sup>(1)</sup> CEO	Management fees	\$ 60,000	\$ 6,150	\$ 66,150
Mark T. Brown <sup>(2)</sup> CFO	Professional fees	\$ 64,150	\$ 6,150	\$ 70,300
Owen Garfield <sup>(3)</sup> Director	Marketing fees, recorded in shareholder communications	\$ 21,000	\$ 5,125	\$ 26,125
Other directors and officers	Option grant	\$ -	\$ 23,575	\$ 23,575

Related party balances:

Amounts included in Accounts payable: Services for:		As at September 30, 2024	As at March 31, 2024
Daniel Rodriguez <sup>(1)</sup>	Management Fees	\$ 10,500	\$ -
Daniel Rodriguez <sup>(1)</sup>	Expenses reimbursement	1,276	1,761
Pacific Opportunity Capital Ltd. <sup>(2)</sup>	Accounting/ Financing	10,500	6,352
Mark T. Brown <sup>(2)</sup>	Expenses reimbursement	21	-
<b>Total</b>		<b>\$ 22,296</b>	<b>\$ 8,113</b>

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

- (1) Daniel Rodriguez was appointed as the Chief Executive Officer, effective June 1, 2022. The Company signed an executive management agreement with Mr. Rodriguez where the Company must pay Mr. Rodriguez one-year's management fee of \$120,000 if the Company is substantially sold or has a change of control (more than 50% change in ownership of the Company or a sudden change in the board of directors such that 50% of the board is changed at one meeting).
- (2) 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.
- (3) 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.

## **EGR EXPLORATION LTD.**

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024**

**(Expressed in Canadian Dollars; Unaudited)**

---

## **12. 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 14). 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.

## **13. 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, 2024, the Company had a cash balance of \$67,626 and an amount receivable of \$16,262 to settle accounts payable and accrued liabilities of \$89,052. 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.

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

---

**13. 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.

**EGR EXPLORATION LTD.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

(Expressed in Canadian Dollars; Unaudited)

**13. 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, 2024	Level 1	Level 2	Level 3	Total
Cash	\$ 67,626	\$ -	\$ -	\$ 67,626
Note payable - derivative liability	\$ -	\$ 1,500	\$ -	\$ 1,500

  

March 31, 2024	Level 1	Level 2	Level 3	Total
Cash	\$ 245,647	\$ -	\$ -	\$ 245,647
Note payable - derivative liability	\$ -	\$ 30,000	\$ -	\$ 30,000

**14. 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 year ended March 31, 2024, the Company received \$200,000 from the issuance of flow-through units at a premium to the market price and recognized a deferred premium on flow-through shares of \$42,857. The Company incurred the entire \$200,000 in qualifying exploration expenditures and renounced eligible expenditures of \$200,000 on December 31, 2023. These expenditures are not available to the Company for future deduction from taxable income. As a result, the Company reversed the entire \$42,857 flow through premium and has no deferred premium on flow-through shares during the year ended March 31, 2024.