



CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023

(Expressed in Canadian Dollars)

(Unaudited)

HANSTONE GOLD CORP.

Notice to Reader:

These condensed interim financial statements of Hanstone Gold Corp. (the “Company”) have been prepared by management and reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

HANSTONE GOLD CORP.
INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024 AND DECEMBER 31, 2023



(Unaudited)

(All amounts expressed in Canadian dollars unless indicated otherwise)

	September 30, 2024	December 31, 2023
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	25,756	166,566
Amounts receivable	5,704	74,719
Prepaid expenses and deposits	5,827	2,147
Total current assets	37,287	243,432
Non-current assets		
Property and equipment (Note 4)	60,975	117,918
Exploration and evaluation assets (Note 5)	2,188,250	1,459,000
Total assets	2,286,512	1,820,350
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	1,033,446	733,537
Total	1,033,446	733,537
Long-term liabilities		
Due from related party (Note 6)	644,261	184,268
Total liabilities	1,677,707	917,805
Shareholders' equity		
Share capital (Note 7)	8,193,710	8,164,460
Warrants reserve (Note 7)	591,744	239,054
Stock options reserve (Note 7)	667,191	667,630
Contributed surplus	425,330	424,891
Deficit	(9,269,170)	(8,593,490)
Total shareholders' equity	608,805	902,545
Total liabilities and shareholders' equity	2,286,512	1,820,350

Going concern (Note 1)

Basis of presentation (Note 2)

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

Approved and authorized for issuance on behalf of the Board of Directors on November 28, 2024.

/s/ Andre Douchane
 Andre Douchane, Director

/s/ Bob Hans
 Bob Hans, Director

HANSTONE GOLD CORP.
INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPT. 30, 2024 AND SEPT. 30, 2023



(Unaudited)

(All amounts expressed in Canadian dollars unless indicated otherwise)

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenses				
Advertising	500	1,274	1,949	6,292
Audit and accounting	3,750	3,750	11,250	11,696
Consulting (Note 8)	40,270	49,300	130,362	154,600
Exploration expenditures (Note 5,8)	103,555	166,856	368,349	380,627
Finance expense (Note 6,8)	46,214	512,060	87,683	512,060
Listing, filing and transfer agent	2,051	10,773	19,417	34,864
Legal	29,787	5,317	29,787	13,078
Office supplies and services	6,834	6,916	22,904	25,448
Rent	-	3,000	4,000	9,000
Stock-based compensation	-	-	-	20,205
Total expenses	232,961	759,246	675,701	1,167,870
Loss from operations	(232,961)	(759,246)	(675,701)	(1,167,870)
Other income (expense)				
Flow-through share premium recovery	-	47,042	-	113,629
Gain on settlement of accounts payable	-	-	-	60,264
Interest income	5	2	21	9
Net loss and comprehensive loss	(232,956)	(712,202)	(675,680)	(993,968)
Net loss per share				
Basic and diluted (Note 7)	-	(0.02)	(0.01)	(0.02)
Weighted average number of common shares outstanding	51,693,125	43,086,603	51,368,125	40,405,762

The accompanying notes are an integral part of these financial statement

HANSTONE GOLD CORP.
INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND THE YEAR ENDED DECEMBER 31, 2023



(Unaudited)

(All amounts expressed in Canadian dollars unless indicated otherwise)

	Number of Shares	Share Capital \$	Stock Options Reserve \$	Warrants Reserve \$	Contributed Surplus \$	Deficit \$	Total Equity \$
Balance, December 31, 2021	37,043,125	7,257,726	601,987	101,070	-	(6,467,926)	1,492,857
Private placement (Note 7)	2,000,000	500,000	-	-	-	-	500,000
Fair value of warrants (Note 7)	-	(20,942)	-	20,942	-	-	-
Fair value adjustments to warrants extended (Note 7)	-	-	-	260,471	-	-	260,471
Share issuance costs (Note 7)	-	(439)	439	-	-	-	-
Flow-through share premium	-	(159,058)	-	-	-	-	(159,058)
Share-based payments	-	-	87,407	-	-	-	87,407
Net loss for the year	-	-	-	-	-	(1,443,229)	(1,443,229)
Balance, December 31, 2022	39,043,125	7,577,287	689,833	382,483	-	(7,911,155)	738,448
Private placement (Note 7)	12,000,000	600,000	-	-	-	-	600,000
Share issuance costs (Note 7)	-	(12,827)	-	-	-	-	(12,827)
Fair value of warrants (Note 6)	-	-	-	239,054	-	-	239,054
Expiry of warrants (Note 7)	-	-	-	(382,483)	382,483	-	-
Expiry of compensation options	-	-	(42,408)	-	42,408	-	-
Share-based payments	-	-	20,205	-	-	-	20,205
Net loss for the year	-	-	-	-	-	(682,335)	(682,335)
Balance, December 31, 2023	51,043,125	8,164,460	667,630	239,054	424,891	(8,593,490)	902,545
Shares issued for exploration and evaluation asset	650,000	29,250	-	-	-	-	29,250
Fair value of warrants (Note 6)	-	-	-	352,690	-	-	352,690
Expiry of options	-	-	(439)	-	439	-	-
Net loss for the period	-	-	-	-	-	(675,680)	(675,680)
Balance September 30, 2024	51,693,125	8,193,710	667,191	591,744	425,330	(9,269,170)	608,805

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

HANSTONE GOLD CORP.
INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPT. 30, 2024 AND SEPT. 30, 2023
(Unaudited)
(All amounts expressed in Canadian dollars unless indicated otherwise)



	For the three months ended		For the nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash flows provided by (used in):				
Operating activities				
Net loss	(232,956)	(712,202)	(675,680)	(993,968)
<i>Adjustment for non-cash items:</i>				
Depreciation included in exploration expenditures	18,981	18,981	56,943	56,944
Flow-through share recovery	-	(47,042)	-	(113,629)
Finance expense	46,214	-	87,683	-
Share-based payments	-	-	-	20,205
<i>Changes in non-cash working capital:</i>				
Accounts payable and accrued liabilities	104,527	(21,333)	299,909	(73,139)
Amounts receivable	2,449	(5,677)	69,015	(3,150)
Prepays and deposits	6,009	(5,064)	(3,680)	12,479
Net cash used in operating activities	(54,776)	(264,617)	(165,810)	(586,538)
Investing activities				
Exploration and evaluation assets	(700,000)	(300,000)	(700,000)	(300,000)
Net cash used in investing activities	(700,000)	(300,000)	(700,000)	(300,000)
Financing activities				
Proceeds from loans	725,000	400,000	725,000	400,000
Proceeds from common shares issued, net	-	580,566	-	580,566
Net cash used in financing activities	725,000	980,566	725,000	980,566
Change in cash	(29,776)	415,949	(140,810)	94,028
Cash, beginning of period	55,532	51,575	166,566	373,496
Cash, end of period	25,756	467,524	25,756	467,524

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Hanstone Gold Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on October 11, 2018. Effective on August 19, 2020, the Company changed its name.

The principal business of the Company is the acquisition and exploration of mineral properties. The registered office of the Company is Suite 600-1090 West Georgia Street, Vancouver, BC V6E 3V7, while the head office and principal business address of the Company is Suite 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6.

Going Concern

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due. As at September 30, 2024, the Company has not generated any revenues from operations and has an accumulated deficit of \$9,269,170.

The Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classifications used that may be necessary if the Company is unable to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS issued by the IASB.

These financial statements were authorized for issue by the Board of Directors on November 28, 2024.

(b) Basis of measurement

These 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 financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. At September 30, 2024, the Company had no cash equivalents.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

i) Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss); and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies all financial assets as held at amortized cost. Cash is classified as a financial asset.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

- Fair value through OCI (FVOCI): Debt instruments that are held for collection of contractual cash flows and for selling the debt instruments, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the debt instrument is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these debt instruments is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period in which it arises.

ii) Financial liabilities

A financial liability is classified as at FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: where the Company optionally designates financial liabilities at FVTPL the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

At present, the Company classifies all of its financial liabilities as held at amortized cost. Financial liabilities are classified as current liabilities if the payment is due within 12 months.

Capital stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

In unit financings, the Company may issue share purchase warrants along with the common shares of the Company. The proceeds from these unit financings are allocated first to share capital based on the fair value of the common shares issued, with the residual amount allocated to warrants reserve as deemed fair value.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into using the residual value method into: i) share capital; and ii) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company indemnifies the subscribers of flow-through shares against certain tax related amounts that become due related to their flow-through subscriptions.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial liability until paid.

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financing costs

Costs incurred to obtain equity financing are deducted from the value assigned to shares issued. When costs are incurred prior to the closing of a financing arrangement, these amounts are presented as a deferred asset until the financing has closed. When an expected financing arrangement does not occur, any deferred costs are recorded as an expense.

Provision and contingent liabilities

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(Loss) earnings per share

Basic (loss) earnings per share is calculated by dividing net (loss) earnings by the weighted average number of common shares outstanding during the period which excludes shares held in escrow. Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(Loss) earnings per share (continued)

In periods that the Company reports a net loss, basic per share amounts are the same as on a diluted basis as the result would be anti-dilutive.

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

Valuation of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, evaluation of permitting and environmental issues and local support for the project.

Share based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can significantly change the fair value estimate and the Company's earnings and equity reserves.

Deferred income taxes

Judgement is required in determining whether deferred tax assets are recognized in the statements of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable income in future periods, in order to utilize deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statements of financial position could be impacted. The Company has not recorded any deferred tax assets.

4. PROPERTY AND EQUIPMENT

	Camp Building \$	Equipment \$	Total \$
Costs:			
Balance, December 31, 2021	350,697	28,924	379,621
Additions	-	-	-
Balance, December 31, 2022	350,697	28,924	379,621
Additions	-	-	-
Balance, December 31, 2023	350,697	28,924	379,621
Additions	-	-	-
Balance, September 30, 2024	350,697	28,924	379,621
Accumulated Depreciation:			
Balance, December 31, 2021	106,963	2,892	109,855
Depreciation	70,139	5,785	75,924
Balance, December 31, 2022	177,102	8,677	185,779
Depreciation	70,139	5,785	75,924
Balance, December 31, 2023	247,241	14,462	261,703
Depreciation	52,605	4,338	56,943
Balance, September 30, 2024	299,846	18,800	318,646
Net Book Value:			
Balance, December 31, 2022	173,595	20,247	193,842
Balance, December 31, 2023	103,456	14,462	117,918
Balance, September 30, 2024	50,851	10,124	60,975

During the nine months ended September 30, 2024, the Company recorded depreciation expense of \$56,943 (nine months ended September 30, 2023 - \$56,944) related to the Camp Building and Equipment which has been included in the exploration expenditures for the period.

5. EXPLORATION AND EVALUATION ASSETS

Exploration assets consist entirely of costs incurred in relation to the acquisition of the Company's mineral properties. All exploration expenditures are expensed in the period incurred.

	Doc Property \$	Snip North Property \$	Total \$
Balance, December 31, 2021	1,023,000	36,000	1,059,000
Property acquisition costs - cash	100,000	-	100,000
Balance, December 31, 2022	1,123,000	36,000	1,159,000
Property acquisition costs - cash	300,000	-	300,000
Balance, December 31, 2023	1,423,000	36,000	1,459,000
Property acquisition costs - shares	700,000	29,250	729,250
Balance, September 30, 2024	2,123,000	65,250	2,188,250

The outcome of ongoing exploration activities, and therefore whether the carrying value of exploration assets will ultimately be recovered, is inherently uncertain. Management has reviewed the projects above at September 30, 2024 for any indicators of impairment and determined that no indicators were present. This assessment includes a review of the expiry dates of claims, the likelihood of meeting the annual expenditure requirements to maintain the claims in good standing, management's assessments of the results of geological studies, drilling and the intentions to carry on future work on these claims based on the results to date.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Doc Property

The Company and Milestone Infrastructure Inc. (“Milestone”) entered into an asset purchase agreement dated as of March 17, 2020 (the “Milestone Agreement”) respecting the acquisition of Milestone’s option agreement on the Doc Property (the “Transaction”). The Doc Property is comprised of 8 mineral claims located in the Skeena Mining Division in British Columbia. The Company also entered into an assignment and assumption agreement (“Bot Option Agreement”) with Mr. John Bot (“Bot”) to continue with the original option agreement entered into with Milestone. As a result of the assumption agreement, the Company has the exclusive and irrevocable right to acquire a 100% interest in the Doc Property from Bot. Under the Bot Option Agreement, to successfully exercise the option to acquire 100% of the Doc Property, the Company is required to make cash payments having an aggregate of \$1,825,000 to Bot, as amended on June 30, 2022 and June 30, 2023, over six years as follows:

1. \$50,000 on July 3, 2019, being the effective date of the original Option Agreement (paid);
2. \$50,000 on July 3, 2020 (paid);
3. \$50,000 on July 3, 2021 (paid);
4. \$25,000 on July 31, 2022 (paid);
5. \$75,000 on December 25, 2022 (paid);
6. \$100,000 on August 2, 2023 (paid);
7. \$100,000 on October 15, 2023 (paid);
8. \$100,000 on December 15, 2023 (paid);
9. \$700,000 on July 3, 2024 (paid); and
10. \$575,000 on July 3, 2025.

In addition, under the Bot Option Agreement, the Company has granted Bot a 1.5% net smelter returns royalty (the “Bot NSR”) on the Doc Property. The Company has the right at any time to repurchase the Bot NSR from Bot by paying \$500,000 to Bot. Until the Company has successfully exercised the option under the Bot Option Agreement, the Company is required to pay Bot a bulk sample royalty of 5% on the Doc Property. Under the Milestone Agreement, the Company issued an aggregate of 4,500,000 common shares of the Company to Milestone’s stakeholders at a deemed price of \$0.18 per share for a value of \$810,000. The Transaction was completed on August 19, 2020. Under the terms of the Milestone Agreement an option payment of \$50,000 was made on August 19, 2020.

For the nine months ended September 30, 2024, the Company has spent \$368,349 in exploration expenditures (nine months ended September 30, 2023 - \$380,627) for a cumulative total of \$6,347,382 on the Doc Property.

Snip North Property

The Company entered into an asset purchase agreement with Richard Mill (“Mill”) dated as of March 17, 2020 (the “Mill Agreement”) respecting the proposed acquisition from Mill of 100% of Mill’s right, title and interest in and to the Snip North property (the “Snip North Property”), comprised of 5 mineral claims located in British Columbia, approximately 50 kilometers north of the Doc Property. As consideration for the acquisition of the Snip North Property, the Company issued an aggregate of 200,000 common shares of the Company to Mill at a deemed price of \$0.18 per share for a value of \$36,000. The transaction was completed on August 19, 2020.

In addition, the Company entered an asset purchase agreement dated May 6, 2024 with Mill pursuant to which the Company agreed to purchase three mineral exploration claims (the “Purchased Claims”) comprising approximately 355.37 hectares in the Province of British Columbia. On May 17, 2024 the Company closed the transaction and issued 650,000 common shares in relation to the acquisition of the three mineral exploration Purchased Claims with an aggregate fair value of \$29,250. The Shares are subject to a four month hold period.

5. EXPLORATION AND EVALUATION ASSETS (continued)

In addition, the Company agreed to grant to Mill a royalty equal to 2% of the net smelter returns on the Purchased Claims (the "NSR" Royalty"), provided that the Company may purchase ½ of the NSR Royalty (so that a 1% royalty will remain) for total consideration of \$500,000 at any time.

6. LOAN PAYABLE

On August 25, 2023, the Company closed a loan transaction (the "Original Loan") under which it borrowed \$400,000 (the "Original Loan Amount") from an affiliate of a director of Hanstone (the "Lender") (Note 8). The Original Loan is repayable on August 25, 2026, and accrues interest at 12% per annum, payable annually in arrears. The Original Loan and interest thereon are secured by a perfected first priority security interest in all present and after-acquired property of the Company.

In connection with the Original Loan, Hanstone issued to the Lender 8,000,000 share purchase warrants (an "Original Loan Warrant"), with each Original Loan Warrant exercisable to acquire a common share at a price of \$0.05 per share for three years from the closing date.

The Company recorded fair value for the 8,000,000 Original Loan Warrants of \$239,054 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 3 years; expected volatility: 135.93%; expected dividend yield: 0%; and risk-free interest rate: 4.33%.

On August 2, 2024, the Company closed a loan transaction (the "New Loan") under which it borrowed \$725,000 (the "Principal") from the Lender. The New Loan was conducted under an amended and restated loan agreement (the "Amended Loan Agreement") dated as of August 1, 2024 which contemplates total loaned funds of \$1,125,000, being the Original Loan and the Principal.

The Lender loaned the Principal to the Company pursuant to the Amended Loan Agreement. The Principal and the Original Loan are repayable on August 1, 2027, and accrue interest at 15% per annum, payable annually in arrears. The Principal, the Original Loan, and interest thereon are secured by a perfected first priority security interest in all present and after-acquired property of the Company.

In connection with the New Loan, Hanstone issued to the Lender 14,500,000 common share purchase warrants (each, a "New Loan Warrant"), with each New Loan Warrant exercisable to acquire a common share (a "New Loan Warrant Share") at a price of \$0.05 per New Loan Warrant Share until August 1, 2027. The New Loan Warrants and the New Loan Warrant Shares are subject to a four month hold period that expires December 2, 2024.

The Company recorded fair value for the 14,500,000 New Loan Warrants of \$352,690 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 3 years; expected volatility: 157.60%; expected dividend yield: 0%; and risk-free interest rate: 3.29%.

During the nine months ended September 30, 2024, the Company accrued interest expense, in connection with the Original Loan and New Loan, of \$87,683 (nine months ended September 30, 2023 - \$4,340).

7. SHAREHOLDERS' EQUITY

Authorized share capital

Unlimited common shares, without par value.

Share issuances

On April 26, 2022, the Company closed a non-brokered private placement and raised aggregate gross proceeds of \$500,000 through issuance of an aggregate of 2,000,000 flow-through units of the Company at a price of \$0.25 per unit. Each unit is comprised of one flow-through common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share

7. SHAREHOLDERS' EQUITY (continued)

(which will not be issued on a flow-through basis) at a price of \$0.30 per share until April 26, 2023. In connection with closing, the Company issued 7,000 non-transferable compensation options valued at \$439, each entitling the holder thereof to purchase one common share at an exercise price of \$0.30 until April 26, 2024. The Company allocated fair value of \$20,942 from share capital to warrants issued pursuant to this financing. Insiders of the Company purchased an aggregate of 300,000 FT Units under the Offering, for gross proceeds of \$75,000.

On August 25, 2023, the Company closed a non-brokered private placement with a director of the Company and raised aggregate gross proceeds of \$600,000 through issuance of an aggregate of 12,000,000 flow-through units of the Company at a price of \$0.05 per unit (Note 8). Each unit is comprised of one flow-through common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire an additional common share (which will not be issued on a flow-through basis) at a price of \$0.05 per share until August 25, 2028. The Company allocated fair value of \$Nil from share capital to warrants issued pursuant to this financing based on the residual value method. The Company paid \$12,827 as share issuance costs

On May 17, 2024, the Company issued 650,000 common shares in relation to the acquisition of the three mineral exploration Purchased Claims with an aggregate fair value of \$29,250 (Note 5).

As at September 30, 2024, the Company had 51,693,125 common shares issued and outstanding.

Stock Option Plan

On December 4, 2018, the Company adopted an incentive stock option plan (the "Option Plan") which allows the Company's Board of Directors, at its discretion and in accordance with TSX Venture Exchange requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees and consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

Incentive Stock Options

On June 8, 2022, the Company granted 709,000 stock options to officers, directors and consultants of the Company with an exercise price of \$0.18 per share for five years and have an expiry date of June 8, 2027. The fair value of these options was calculated to be \$75,868 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 5 years; expected volatility: 96%; expected dividend yield: 0%; and risk-free interest rate: 3.18%.

On February 8, 2023, the Company granted 250,000 stock options to officers of the Company with an exercise price of \$0.10 per share for five years with an expiry date of February 8, 2028. The fair value of these options was calculated to be \$20,205 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 5 years; expected volatility: 126%; expected dividend yield: 0%; and risk-free interest rate: 3.03%.

On June 7, 2024 and June 10, 2024, respectively, the Company received shareholder and TSX Venture Exchange approval to reprice 2,954,000 stock options issued to directors, officers and consultants of the Company, with exercise prices ranging from \$0.18 to \$0.58 per share, to \$0.10 per share. As at September 30, 2024, the amended stock options had not been issued.

7. SHAREHOLDERS' EQUITY (continued)

A summary of the Company's stock option plan as at September 30, 2024 and December 31, 2023:

Description	September 30, 2024		December 31, 2023	
	Number of options	Weighted Average Exercise Price (\$)	Number of options	Weighted Average Exercise Price (\$)
Outstanding, beginning of period	3,704,000	0.24	3,454,000	0.25
Granted	-	-	250,000	0.10
Outstanding, end of period	3,704,000	0.24	3,704,000	0.24
Exercisable, end of period	3,704,000	0.24	3,704,000	0.24

As at September 30, 2024, 500,000 stock options are exercisable at \$0.10 per share expiring on April 29, 2029, 1,120,000 stock options are exercisable at \$0.20 per share expiring on August 19, 2030, 150,000 stock options are exercisable at \$0.58 per share expiring on December 8, 2025, 875,000 stock options are exercisable at \$0.40 per share expiring on January 29, 2026, 100,000 stock options are exercisable at \$0.40 per share expiring on September 1, 2026, 709,000 stock options are exercisable at \$0.18 per share expiring on June 8, 2027 and 250,000 stock options are exercisable at \$0.10 per share expiring on February 8, 2028.

Share Purchase Warrants

Under the private placement dated April 26, 2022, the Company issued an aggregate of 2,000,000 share purchase warrants exercisable for one common share at an exercise price of \$0.30 per share and an expiry date of April 26, 2023.

On August 5, 2022, the Company extended the exercise period of a total of 18,812,014 share purchase warrants. 12,515,766 of the warrants, exercisable at \$0.25 per common share, were extended by 12 months to August 19, 2023, 2,927,248 of the warrants, exercisable at \$0.35 per common share, were extended by 12 months to August 19, 2023, and 3,369,000 of the warrants, exercisable at \$0.30 per common share, were extended by 12 months to December 23, 2023.

As a result of the exercise period extensions of 18,812,014 share purchase warrants, the Company recorded additional fair value of warrants during the year ended December 31, 2022 of \$260,471 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 1 year; expected volatility: 98%-159%; expected dividend yield: 0%; and risk-free interest rate: 3.25%.

Under the private placement dated August 25, 2023, the Company issued an aggregate of 12,000,000 share purchase warrants exercisable for one common share at an exercise price of \$0.05 per share, for five years and have an expiry date of August 25, 2028.

A summary of the Company's share purchase warrants as at September 30, 2024 and December 31, 2023:

Description	September 30, 2024		December 31, 2023	
	Number of warrants	Weighted Average Exercise Price (\$)	Number of warrants	Weighted Average Exercise Price (\$)
Outstanding, beginning of period	20,000,000	0.05	27,189,225	0.32
Issued	14,500,000	0.05	20,000,000	0.05
Forfeited / expired	-	-	(27,189,225)	0.32
Outstanding, end of period	34,500,000	0.05	20,000,000	0.05

7. SHAREHOLDERS' EQUITY (continued)

During the year ended December 31, 2023, 27,189,225 share purchase warrants expired. As a result, a value of \$382,483 was transferred from warrants reserve to contributed surplus.

As at September 30, 2024, 20,000,000 share purchase warrants are exercisable at \$0.05 per share expiring on August 25, 2028 and 14,500,000 share purchase warrants are exercisable at \$0.05 per share expiring on August 2, 2027.

Compensation Options

In connection with the private placement on April 26, 2022, the Company issued 7,000 compensation options. Each compensation option entitles the holder to purchase one unit at an exercise price of \$0.30 for a period of 24 months. The fair value of these options was calculated to be \$439 using the Black-Scholes Option Pricing Model using the following assumptions: expected life of the option: 2 years; expected volatility: 102%; expected dividend yield: 0%; and risk-free interest rate: 2.47%.

A summary of the Company's compensation options as at September 30, 2024 and December 31, 2023:

Description	September 30, 2024		December 31, 2023	
	Number of options	Weighted Average Exercise Price (\$)	Number of options	Weighted Average Exercise Price (\$)
Outstanding, beginning of period	7,000	0.30	241,794	0.38
Granted	-	-	-	-
Forfeited / expired	(7,000)	0.30	(234,794)	0.38
Outstanding, end of period	-	-	7,000	0.30
Exercisable, end of period	-	-	7,000	0.30

During the year ended December 31, 2023, 234,794 share purchase warrants expired. As a result, a value of \$42,408 was transferred from stock options reserve to contributed surplus.

During the nine months ended September 30, 2024, 7,000 share purchase warrants expired. As a result, a value of \$439 was transferred from stock options reserve to contributed surplus.

As at September 30, 2024, Nil compensation options were outstanding.

The calculation of weighted average shares outstanding for the diluted loss per share calculation excludes the impact of the options and warrants outstanding as at September 30, 2024 and December 31, 2023 as the effect is anti-dilutive.

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that this consists of corporate officers, executive and non-executive members of the Company's Board of Directors and companies owned by these individuals.

During the nine months ended September 30, 2024, key management personnel charged the Company \$114,750 of consulting fees (nine months ended September 30, 2023 - \$116,050), \$114,750 in exploration expenditures (nine months ended September 30, 2023 - \$114,750) and finance expense of \$87,683 (nine months ended September 30, 2023 - \$4,340). In addition, no stock options were issued during the nine months ended September 30, 2024 (nine months ended September 30, 2023 - 250,000 stock options with a value of \$20,205).



8. RELATED PARTY TRANSACTIONS (continued)

At September 30, 2024, the Company had \$391,958 payable to related parties included in accounts payable and accrued liabilities (December 31, 2023 - \$275,241).

On August 25, 2023, the Company received a loan in the amount of \$400,000 from a company controlled by a director of the Company (Note 6).

Also on August 25, 2023, the Company closed a non-brokered private placement with a director of the Company and raised aggregate gross proceeds of \$600,000 through issuance of an aggregate of 12,000,000 flow-through units of the Company at a price of \$0.05 per unit (Note 7).

On August 2, 2024, the Company received a loan in the amount of \$725,000 from a company controlled by a director of the Company (Note 6).

On June 7, 2024 and June 10, 2024, respectively, the Company received shareholder and TSX Venture Exchange approval to reprice 2,225,000 stock options issued to directors and officers of the Company, with exercise prices ranging from \$0.18 to \$0.40 per share, to \$0.10 per share. As at September 30, 2024, the amended stock options had not been issued.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2024, the Company's financial instruments are comprised of cash, accounts payable and loan payable. The fair values of these financial instruments approximate their carrying values due to their short-term maturity and/or the accounting method. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at September 30, 2024, the fair value of cash held by the Company was based on Level 1 of the fair value hierarchy.

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at September 30, 2024, the Company had a cash balance of \$25,756 (December 31, 2023 - \$166,566) to settle current liabilities of \$1,033,446 (December 31, 2023 - \$733,537). While the Company has been successful in obtaining its required funding in the past, there is no assurance that this financing will be extended or that any future financing will be available.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. This risk is considered to be minimal.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. There are no current assets held in other currencies and therefore the foreign exchange risk is assessed as low.

10. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2024, the Company's shareholders' equity was \$608,805. The Company's objectives when managing capital are to maintain financial viability and 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. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses. Additional funds may be required to finance the Company's future business opportunities.

The Company is not subject to any externally imposed capital requirements, except as noted above. There were no changes to the Company's approach to capital management during the nine months ended September 30, 2024.

11. SEGMENTED INFORMATION

The Company operates in one reportable segment, being exploration of mineral assets. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

12. SUBSEQUENT EVENT

On November 6, 2024, the Company announced that it will be conducting a loan transaction (the "Loan") under which it will borrow up to \$100,000 (the "Principal") from an affiliate of a director of the Company (the "Lender").

The Principal, and previous advances of \$400,000 and \$725,000 (Note 6), is repayable on August 1, 2027, and accrues interest at 15% per annum, payable annually in arrears. The Principal, previous advances and interest thereon are secured by a perfected first priority security interest in all present and after-acquired property of the Company.

Hanstone may request drawdowns on the Loan from time to time, provided that the total amount drawn in any single month shall not exceed \$20,000 (except the initial drawdown which shall not exceed \$30,000).

In connection with the Loan, Hanstone will issue the Lender up to 2,000,000 share purchase warrants (a "Warrant"), with each Warrant exercisable to acquire a common share at a price of \$0.05 per share expiring August 1, 2027.