

**AUQ GOLD MINING INC.**

Condensed Interim Financial Statements

For the six months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE  
CONDENSED 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 these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the six months ended August 31, 2024 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**AUQ GOLD MINING INC.**

Condensed Interim Statements of Financial Position  
As at August 31, 2024 and February 29, 2024  
(Expressed in Canadian dollars)  
(Unaudited – Prepared by Management)

	August 31, 2024 \$	February 29, 2024 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	27	15,018
Amounts receivable	45,751	44,440
<b>Total current assets</b>	<b>45,778</b>	<b>59,458</b>
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 3)	785,989	745,989
<b>Total assets</b>	<b>831,767</b>	<b>805,447</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Notes 4, 5, and 6)	871,883	808,618
Loans payable (Note 4)	56,436	56,436
Notes payable (Notes 5 and 6)	177,393	177,393
<b>Total current liabilities</b>	<b>1,105,712</b>	<b>1,042,447</b>
<b>Shareholders' deficit</b>		
Share capital (Note 7)	19,546,954	19,527,454
Share-based payment reserve (Note 7)	2,526,468	2,515,968
Deficit	(22,347,367)	(22,280,422)
<b>Total shareholders' deficit</b>	<b>(273,945)</b>	<b>(237,000)</b>
<b>Total liabilities and shareholders' deficit</b>	<b>831,767</b>	<b>805,447</b>

Nature of business and continuing operations (Note 1)  
Subsequent events (Note 3 and 8)

Approved and authorized for issuance on behalf of the Board of Directors on October 30, 2024:

/s/ Glen Macdonald

Glen Macdonald, Director

/s/ Ken Ralfs

Ken Ralfs, Director

(The accompanying notes are an integral part of these condensed interim financial statements)

**AUQ GOLD MINING INC.**

Condensed Interim Statements of Operations and Comprehensive Loss

For the three and six months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the three months ended August 31,		For the six months ended August 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Expenses				
Consulting fees (Note 7)	15,000	15,000	30,000	33,248
General and administrative	306	4,169	406	15,142
Professional fees	5,035	3,000	7,850	5,500
Rent	598	–	1,098	–
Transfer agent and filing fees	9,080	5,350	9,080	5,350
Total expenses	30,019	27,518	48,434	59,240
Loss before other expense	(30,019)	(27,518)	(48,434)	(59,240)
Other expense				
Interest expense	(9,369)	(9,199)	(18,511)	(17,347)
Net loss and comprehensive loss for the period	(39,388)	(36,717)	(66,945)	(76,587)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	17,606,310	17,501,962	17,554,136	17,501,962

(The accompanying notes are an integral part of these condensed interim financial statements)

**AUQ GOLD MINING INC.**

Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)

For the six months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Share capital		Share-based payment reserve \$	Deficit \$	Total shareholders' equity (deficit) \$
	Number of shares	Amount \$			
Balance at February 28, 2023	17,501,962	19,527,454	2,515,968	(21,251,035)	792,387
Net loss for the period	–	–	–	(76,587)	(76,587)
Balance at August 31, 2023	17,501,962	19,527,454	2,515,968	(21,327,622)	715,800
Balance at February 29, 2024	17,501,962	19,527,454	2,515,968	(22,280,422)	(237,000)
Units issued for exploration and evaluation assets	150,000	19,500	10,500	–	30,000
Net loss for the period	–	–	–	(66,945)	(66,945)
Balance at August 31, 2024	17,651,962	19,546,954	2,526,468	(22,347,367)	(273,945)

(The accompanying notes are an integral part of these condensed interim financial statements)

**AUQ GOLD MINING INC.**

Condensed Interim Statements of Cash Flows

For the six months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the six months ended August 31,	
	2024	2023
	\$	\$
Operating activities		
Net loss for the year	(66,945)	(76,587)
Item not involving cash:		
Interest expense	18,511	–
Changes in non-cash operating working capital:		
Amounts receivable	(1,311)	(1,649)
Prepaid	–	(145,000)
Accounts payable and accrued liabilities	34,754	56,702
Net cash used in operating activities	(14,991)	(166,535)
Investing activity		
Exploration and evaluation asset expenditures	–	(15,190)
Net cash used in investing activity	–	(15,190)
Change in cash	(14,991)	(181,725)
Cash, beginning of period	15,018	330,152
Cash, end of period	27	148,427
Non-cash investing activities:		
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	10,000	96,952
Units issued for exploration and evaluation assets	30,000	–
Supplemental disclosure:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these condensed interim financial statements)

## **AUQ GOLD MINING INC.**

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### **1. Nature of Business and Continuing Operations**

AuQ Gold Mining Inc. (the “Company”) was incorporated on April 23, 2005 under the Company Act of British Columbia. The Company’s head office is located at Suite 701, 595 Howe Street, Vancouver, BC, Canada, V6C 2T5. The Company is engaged in the exploration of mineral properties in Canada. The Company’s shares are traded on the TSX Venture Exchange (“TSXV”) under the symbol “AUQ”.

These condensed interim 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. During the six months ended August 31, 2024, the Company did not generate any revenues and incurred negative cash flow from operations of \$14,991. As at August 31, 2024, the Company has a working capital deficit of \$1,059,934 and an accumulated deficit of \$22,347,367. The Company’s ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. 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 factors indicate the existence of a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

### **2. Basis of Presentation**

#### **(a) Statement of Compliance**

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended February 29, 2024, prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were approved by the Board of Directors of the Company on October 30, 2024.

#### **(b) Basis of Measurement**

The condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

#### **(c) Functional and Presentation Currency**

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the condensed interim financial statements.

## **AUQ GOLD MINING INC.**

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### **2. Basis of Presentation** (continued)

#### (d) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant areas requiring the use of estimates include the impairment of exploration and evaluation assets, determination of flow-through share premium, and unrecognized deferred income tax assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

#### (e) Material Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at February 29, 2024. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended February 29, 2024.

## AUQ GOLD MINING INC.

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### 3. Exploration and Evaluation Assets

Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry norms for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

	Kirkland Creek \$	Partridge Gold \$	Eliza Gold \$	James Bay \$	Nabikok Property \$	Total \$
Acquisition costs:						
Balance, February 28, 2023	125,001	265,233	231,653	21,440	–	643,327
Additions	25,000	–	–	–	–	25,000
Impairment	(121,024)	(265,233)	(30,228)	–	–	(416,485)
Balance, February 29, 2024	28,977	–	201,425	21,440	–	251,842
Additions	–	–	30,000	–	–	30,000
Balance, August 31, 2024	28,977	–	231,425	21,440	–	281,842
Exploration costs:						
Balance, February 28, 2023	110,789	357,701	–	–	–	468,490
Claims renewal	–	–	10,190	5,000	–	15,190
Geological (Note 6)	–	–	–	11,000	467,957	478,957
Impairment	(110,789)	(357,701)	–	–	–	(468,490)
Balance, February 29, 2024	–	–	10,190	16,000	467,957	494,147
Geological (Note 6)	5,000	–	–	5,000	–	10,000
Balance, August 31, 2024	5,000	–	10,190	21,000	467,957	504,147
Carrying amounts:						
Balance, February 29, 2024	28,977	–	211,615	37,440	467,957	745,989
Balance, August 31, 2024	33,977	–	241,615	42,440	467,957	785,989

## AUQ GOLD MINING INC.

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### 3. Exploration and Evaluation Assets (continued)

#### Kirkland Creek Property, Yukon Territory

On November 30, 2006, the Company entered into an agreement to purchase the Kirkland Creek Property, located 120 kilometers northwest of Whitehorse, Yukon, in the Ashihik Lake region. The property was originally comprised of 144 claims. The Company paid the vendor (the spouse of the Chief Executive Officer of the Company) 2,000,000 common shares for a 100% interest in the property. The vendor retains a 3% net smelter royalty (“NSR”) on any mineral production from the property. Effective November 30, 2010, an advance royalty of \$25,000 is payable annually to the vendor. The Company has the right to purchase the NSR for \$1,000,000 per percentage point to a maximum of 2%. On May 7, 2007, the Company expanded the property by staking an additional 36 claims adjoining the original 144 claim block. The Company allowed some of the claims it considers to be of lesser importance to lapse.

During the year ended February 28, 2017, as a result of applying IFRS 6, the Company was required to write down this property by \$2,296,719 to a nominal amount of \$1 as a result of not meeting the criteria for expenditures on the property under IFRS 6, where substantial expenditures are neither budgeted nor planned there is an indicator of impairment. During the year ended February 28, 2019, the Company resumed exploration activities on the property.

On February 29, 2024, the Company recorded an impairment of \$231,813 for the mineral claims that were allowed to lapse. The Kirkland Creek property now consists of 4 mineral claims.

#### Partridge Gold Property, Quebec

On January 16, 2020, the Company entered into an agreement to acquire a 100% interest in 95 mineral claims located in Abitibi, Quebec in exchange for issuing 360,000 common shares to the vendor (issued on January 23, 2020).

On October 8, 2020, the Company entered into an agreement to purchase 97 mineral claims that are contiguous to the existing Partridge Property in exchange for a cash payment of \$20,000 and the issuance of 100,000 units. Each unit consisted of a common share and a share purchase warrant that entitles the holder to acquire an additional common share at \$0.50 for a period of one year.

The vendor has retained a 2% NSR royalty. The Company may purchase 50% of the NSR for \$1,000,000.

During the year ended February 28, 2023, the Company recorded an impairment of \$10,007 for 3 mineral claims that expired. During the year ended February 29, 2024, the Company recorded an impairment of \$265,233 for the expiration of the remaining mineral claims.

#### Eliza Gold Property, Quebec

On February 6, 2020, the Company entered into an option agreement whereby the Company has the right to earn a 100% interest in 8 mineral claims. To earn this interest, the Company is to pay \$20,000 within three days of TSX-V approval (paid). The Company is also to issue 150,000 units of the Company on each of the following dates: (1) within three days of TSX-V approval (issued); (2) March 13, 2021 (issued); (3) March 13, 2022 (issued); and (4) March 13, 2023 (issued). Each unit were comprised of one common share and one share purchase warrant exercisable at \$0.60 per common share for a period of two years from the date of issuance. The optionor has retained a 2% net smelter royalty, of which two tranches of 0.5% may be purchased by the Company for \$500,000 each.

On February 29, 2024, the Company recorded an impairment of \$30,228 for the mineral claim that expired.

## AUQ GOLD MINING INC.

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

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### 3. Exploration and Evaluation Assets (continued)

#### James Bay Property, Quebec

On December 19, 2022, the Company staked 143 claims for \$21,440 in the James Bay region of Quebec.

#### Nabikok Property, Quebec

On August 18, 2023, the Company entered into a binding letter of intent to acquire a 50% legal and beneficial interest in and to 155 mineral claims. To earn this interest, the Company is to fund an aggregate amount of \$600,000 exploration costs as follows: (1) \$100,000 prior to the first anniversary (incurred); (2) \$200,000 prior to the second anniversary (incurred); and (3) \$300,000 prior to the third anniversary.

### 4. Loans Payable

- (a) As at August 31, 2024, the amount of \$18,936 (February 29, 2024 – \$18,936) is owed to a non-related party which bears interest at 20% per annum compounded monthly, is unsecured, and is due on demand. As at August 31, 2024, accrued interest of \$77,529 (February 29, 2024 - \$68,399) has been recorded in accounts payable and accrued liabilities.
- (b) As at August 31, 2024, the amount of \$10,000 (February 29, 2024 – \$10,000) is owed to a non-related party which bears interest at 20% per annum compounded, is unsecured, and is due on demand. As at August 31, 2024, accrued interest of \$41,488 (February 29, 2024 - \$36,818) has been recorded in accounts payable and accrued liabilities.
- (c) As at August 31, 2024, the amount of \$2,500 (February 29, 2024 – \$2,500) was owed to a non-related party which is non-interest bearing, unsecured, and due on demand.
- (d) As at August 31, 2024, the amount of \$10,000 (February 29, 2024 – \$10,000) was owed to a non-related party which bears interest at 5% per annum, is unsecured, and due on December 31, 2024. As at August 31, 2024, accrued interest of \$862 (February 29, 2024 – \$610) has been recorded in accounts payable and accrued liabilities.
- (e) As at August 31, 2024, the amount of \$15,000 (February 29, 2024 – \$15,000) was owed to a non-related party which is non-interest bearing, unsecured, and due on demand.

### 5. Notes Payable

As at August 31, 2024, the Company has a notes payable balance of \$177,393 (February 29, 2024 – \$177,393). Included in the notes payable balance is \$31,194 (February 29, 2024 – \$31,194) owed to the Chief Executive Officer of the Company and \$2,363 (February 29, 2024 – \$2,363) owed to the Chief Finance Officer of the Company. As at August 31, 2024, accrued interest of \$34,104 (February 29, 2024 – \$29,645) has been recorded in accounts payable and accrued liabilities, which includes \$6,237 (February 29, 2024 – \$5,659) owed to the Chief Executive Officer of the Company and \$472 owed to the Chief Finance Officer of the Company. The notes are unsecured, bear interest at 5% per annum, and due on demand.

## AUQ GOLD MINING INC.

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### 6. Related Party Transactions

- (a) As at August 31, 2024, the amount of \$185,260 (February 29, 2024 – \$139,230) was owed to the Chief Executive Officer of the Company which is included in accounts payable and accrued liabilities.
- (b) As at August 31, 2024, the Company owed \$125,000 (February 29, 2024 – \$125,000) to the spouse of the Chief Executive Officer of the Company.
- (c) During the six months ended August 31, 2024, the amount of \$30,000 (August 31, 2023 – \$30,000) was incurred to the Chief Executive Officer of the Company for consulting fees and \$10,000 (August 31, 2023 – \$Nil) for geological services.

### 7. Share Capital

Authorized: Unlimited common shares without par value

Share transactions for the six months ended August 31, 2024:

On June 28, 2024, the Company issued 150,000 units with a fair value of \$30,000 in connection with the Eliza Gold mineral property option agreement (refer to Note 3). Each unit consisted of one common share and one share purchase warrant exercisable at \$0.60 per common share until June 28, 2026. The common shares and share purchase warrants issued had a fair value of \$19,500 and \$10,500 respectively. The fair value of warrants was determined using the Black-Scholes option pricing model based on the following assumptions: risk-free rate of 4.04%; expected dividend of 0%; expected life of two years; and expected volatility of 168%.

Share transactions for the year ended February 29, 2024:

No activity

### 8. Share Purchase Warrants

A continuity schedule of the Company's warrants is as follows:

	August 31, 2024	Weighted average exercise price \$	February 29, 2024	Weighted average exercise price \$
Balance, beginning of period	1,050,000	0.51	1,200,000	0.53
Issued	150,000	0.60	–	–
Expired	(150,000)	0.60	(150,000)	0.60
Balance, end of period	1,050,000	0.51	1,050,000	0.51

As at August 31, 2024, the following share purchase warrants were outstanding:

Number of warrants	Exercise price \$	Expiry date
900,000	0.50	December 29, 2024
150,000	0.60	June 28, 2026
<u>1,050,000</u>		

## **AUQ GOLD MINING INC.**

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### **9. Stock Options**

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, officers, and employees to acquire common shares. The essential elements of the 2015 Stock Option Plan (“Plan”) provide that the aggregate number of shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the fair market value price of the shares on the date of grant of the options (defined as the last closing market price of the Company’s shares on the last day shares are traded prior to the grant date). Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors.

### **10. Capital Management**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company’s overall strategy with respect to capital risk management remains unchanged from the year ended February 29, 2024.

### **11. Financial Instruments and Risk Management**

#### *Fair Values*

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, loans payable, and notes payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### *Credit Risk*

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

## **AUQ GOLD MINING INC.**

Notes to the Condensed Interim Financial Statements

Period Ended August 31, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

### **11. Financial Instruments and Risk Management** (continued)

#### *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 debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### *Foreign Exchange Rate Risk*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to significant foreign exchange rate risk.

#### *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 is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

#### *Price Risk*

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.