

JZR GOLD INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in Canadian dollars)

(UNAUDITED – PREPARED BY MANAGEMENT)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements 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 condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

JZR GOLD INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

As at September 30, 2023 and June 30, 2022

(Unaudited – Prepared by Management)

	Note	September 30, 2023	June 30, 2023
ASSETS			
Current			
Cash and cash equivalents		\$ 22,058	\$ 166,753
Amounts receivable	4	12,172	8,475
Prepaid expenses		50,970	67,112
Total current assets		85,200	242,340
Security deposits		33,500	33,500
Loan receivable	5	40,867	39,667
Mineral properties and deferred exploration costs	5	717,010	693,011
Intangible asset	6	10,427,956	10,427,956
Total assets		\$ 11,304,533	\$ 11,436,474
LIABILITIES & SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	7	\$ 781,720	\$ 830,536
Due to related parties	7	19,750	31,317
Loan payable	8	1,033,969	968,584
Total liabilities		1,835,439	1,830,437
Shareholders' equity			
Share capital	9	17,398,382	17,277,535
Reserves		2,059,401	2,026,688
Subscriptions receivable		(109,651)	(109,651)
Deficit		(9,879,038)	(9,588,535)
		9,469,094	9,606,037
Total liabilities and shareholders' equity		\$ 11,304,533	\$ 11,436,474

Nature and continuance of operations and going concern (Note 1)

Subsequent events (Note 14)

Approved and authorized on behalf of the Board:

"Rob Klenk"

Director

"Kirk Fisher"

Director

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

JZR GOLD INC.**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three months ended September 30, 2023 and 2022.

(Unaudited – Prepared by Management)

	Note	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
EXPENSES			
Filing fees		\$ 1,766	\$ 9,578
Interest and charges	7,8	30,063	37,769
Office and miscellaneous		20,799	17,973
Professional fees		27,708	15,000
Consulting fees		42,020	101,300
Transfer agent fees		14,587	1,414
Share based compensation	8,9	153,560	78,578
Total general and administrative expenses		290,503	261,612
Accretion expense		-	61,623
Loss and comprehensive loss for the period		\$ 290,503	\$ 323,235
Basic and diluted loss per common share		\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		38,252,355	28,606,831

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

JZR GOLD INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

	Note	Number of Shares	Share Capital	Subscriptions Receivable	Share-based Payment Reserve	Warrant Reserve	Equity Portion of Convertible Debentures	Deficit	Total
Balance, June 30, 2022		28,567,266	\$ 13,171,433	\$ (90,651)	\$ 1,433,900	\$ 171,944	\$ 417,686	\$ (8,268,212)	\$ 6,836,100
Units issued in private placement	9	2,610,018	1,571,632	(19,000)	-	81,130	-	-	1,633,762
Share issuance costs	9	-	(6,825)	-	-	-	-	-	(6,825)
Equity portion of convertible debenture	8	-	417,686	-	-	-	(417,686)	-	-
Shares issued on conversion of convertible debenture	8	6,583,333	1,975,000	-	-	-	-	-	1,975,000
Broker warrants in connection with private placement	9	-	(2,013)	-	-	2,013	-	-	-
Expiry of broker warrants	9	-	26,118	-	-	(26,118)	-	-	-
Share-based compensation	9	-	-	-	394,823	-	-	-	394,823
Exercise of options	9	250,000	118,504	-	(31,004)	-	-	-	87,500
Exercise of warrants	9	20,000	6,000	-	-	-	-	-	6,000
Net loss and comprehensive loss for the year		-	-	-	-	-	-	(1,320,323)	(1,320,323)
Balance, June 30, 2023		38,030,617	\$ 17,277,535	\$ (109,651)	\$ 1,797,719	\$ 228,969	\$ -	\$ (9,588,535)	\$ 9,606,037
Bonus shares issued in connection with short term loans	8	300,000	120,000	-	-	-	-	-	120,000
Expiry of broker warrants	9	-	847	-	-	(847)	-	-	-
Share-based compensation	9	-	-	-	33,560	-	-	-	33,560
Net loss and comprehensive loss for the period		-	-	-	-	-	-	(290,503)	(290,503)
Balance, September 30, 2023		38,330,617	\$ 17,398,382	\$ (109,651)	\$ 1,831,279	\$ 228,122	\$ -	\$ (9,879,038)	\$ 9,469,094

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

JZR GOLD INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended September 30, 2023 and 2022
(Unaudited – Prepared by Management)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
OPERATING ACTIVITIES		
Net loss for the period	\$ (290,503)	\$ (323,235)
Items not affecting cash:		
Accretion of discount on convertible debentures	-	61,623
Accrued interest	29,186	37,770
Share based compensation	153,560	78,578
Changes in non-cash working capital items:		
Increase in amounts receivable	(3,697)	(6,506)
Decrease in prepaid expenses	16,142	(38,158)
Decrease in due to related parties	(11,567)	(15,202)
Decrease in accounts payable and accrued liabilities	(48,816)	(45,863)
Net cash used in operating activities	(155,695)	(250,993)
INVESTING ACTIVITIES		
Mineral property, rights, and deferred exploration costs, net of recoveries	(23,999)	(24,149)
Payment made for deferred acquisition of net profit interests	-	(660,319)
Net cash used in investing activities	(23,999)	(684,468)
FINANCING ACTIVITIES		
Funds received on issuance of common shares net of issuance costs	-	581,010
Funds received on exercise of warrants	-	6,000
Funds received on exercise of options	-	70,000
Funds received on loan	35,000	-
Net cash provided by financing activities	35,000	657,010
Change in cash during the period	(144,695)	(278,452)
Cash, beginning of period	166,753	458,237
Cash, end of period	\$ 22,058	\$ 179,785

Supplemental disclosure with respect to cash flows (Note 11)

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

JZR GOLD INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

JZR Gold Inc. (the “Company”) was incorporated under the laws of the Province of British Columbia and is in the business of the exploration and development of mineral properties. The Company’s principal place of business, head office and records office is located at 404 – 1688 152nd Street, Surrey, British Columbia, Canada, V4A 4N2. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

The Company’s common shares are listed on the TSX Venture Exchange with the symbol “JZR.V”.

The Company is in the process of exploring and developing its mineral properties and rights and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

Going concern of operations

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at the current reporting period, the Company does not have sufficient cash resources to meet its obligations for the next twelve months of operations.

Management is actively targeting sources of additional financing from investors, shareholders and through alliances with financial entities, and is considering issuances of debt or equity or other business and financial transactions which would assure continuation of the Company’s operations. To the extent financing is not available, working capital commitments may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company. Management is closely monitoring economic trends, global financial conditions, and the equity markets to determine the appropriate course of action to be taken by the Company.

The Company has incurred a loss of \$290,503 for the three-month period ended September 30, 2023 with an accumulated deficit of \$9,879,038 (June 30, 2023 - \$9,588,535) and had a working capital deficiency of \$1,750,239 (June 30, 2023 - \$1,588,098). Although it has been successful to date, there can be no assurance that the Company will be able to raise the funds necessary to continue future operations and commitments. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position.

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN (cont'd...)

Going concern of operations (cont'd...)

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations, such adjustments could be material. These conditions create a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These financial statements, including comparative periods, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These financial statements are prepared using IFRSs in effect as at June 30, 2023. Significant accounting policies and the applicable basis of measurement used in the preparation of these financial statements are described in Note 3.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements were authorized for issuance by the Board of Directors on November 28, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed interim financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the period ended June 30, 2023, and do not include all the information required for full annual financial statements in accordance with IFRS, as issued by the IFRIC. It is suggested that the condensed interim financial statements be read in conjunction with the annual audited financial statements.

Except as otherwise indicated hereunder, these condensed interim financial statements have been prepared using the same policies and methods as the financial statements of the Company for the year ended June 30, 2023. Refer to Note 3 of the Company's financial statements for the year ended June 30, 2023 for more information on new accounting standards and amendments not yet effective.

4. AMOUNTS RECEIVABLE

Amounts receivable is comprised of Canadian goods and services input tax credits.

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS

The Company had owned two mineral properties: the Teddy Glacier Property and the Spider Property which are both located in the Province of British Columbia (“B.C.”). The Spider Property is comprised of certain Crown granted mineral claims and several land lots in fee simple within the township of Camborne, B.C.

During the year ended June 30, 2023, the Company disposed of multiple lots in connection with the Spider Property in Camborne to third parties for cash consideration of \$50,018 and a loan receivable of \$95,000 which was recorded as a recovery against the mineral properties and deferred exploration costs. The loan receivable is non-interest bearing and due on March 31, 2031. The loan was discounted at an interest rate of 12% which results a net present value of \$39,667. The Company’s cost of the disposed properties was determined to be \$172,468 resulting in a loss the sale of the properties of \$84,046. The Company also repurchased lot 5942 in connection with the Spider Property in Camborne for consideration of \$67,407.

During the year ended June 30, 2023, the Company relinquished its remaining claims on its Teddy Glacier properties and recorded an impairment of \$1.

The following table summarizes mineral rights and property costs, by property:

	Teddy Glacier		Spider		Total	
Balance, June 30, 2022	\$	1	\$	700,958	\$	700,959
Acquisition costs	-			67,407		67,407
Property taxes	-			1,113		1,113
Sale of mineral properties	-			(172,468)		(172,468)
Site exploration	-			96,001		96,001
Impairment		(1)		-		(1)
Balance, June 30, 2023		-		693,011		693,011
Site exploration		-		24,000		24,000
Balance, September 30, 2023	\$	-	\$	717,011	\$	717,011

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for uncertainties arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated titles to all of its mineral properties and, to the best of its knowledge, the titles to all of the Company’s properties are in good standing. Site exploration costs consists of consulting fees paid to related and third-party service providers.

Government subsidies

As at September 30, 2023, the Company has received all B.C. mining tax credits receivable for exploration work completed.

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

6. INTANGIBLE ASSET

On January 20, 2021, the Company acquired from a third party, its interest in a JV Royalty Agreement dated July 6, 2020 (“JVRA”) with Eco Mining Oil & Gaz Drilling and Exploration EIRELI (“Eco”) with respect to the Vila Nova gold project, which is mine in the development phase located in Amapa, Brazil.

Pursuant to a purchase and sale agreement, the Company acquired a 100% interest in the JVRA, wherein the Company shall have the option and right to acquire a 50% net profits interest in the Vila Nova property. Pursuant to the terms of the JVRA, in order to exercise the option and acquire the rights thereunder, the Company must make the following payments to Eco, subject to satisfactory project assessment prior to each stage of funding:

- an initial payment of USD\$500,000 to fund the 2,000 m drilling program and related costs needed to complete the business plan to construct a 1,280 t/d bulk exploitation program on the Vila Nova property (payment made by third party prior to acquisition of the JVRA);
- a second payment of USD\$500,000 (paid); and
- a final payment of up to USD\$5,000,000 or as mutually agreed between the parties.

As of September 30, 2023, \$8,446,956 (\$6,305,839 USD) had been paid to Eco in relation to the payments for the option and acquisition of the net profits interest. If exercised and all payments are made, the Company shall receive a 50% net profits interest from all products and minerals produced from the Vila Nova property and exclusive rights to explore and develop the property, including initiating and carrying out commercial production. Eco will remain the sole operator of all mining-related activity on the property, including environmental remediation. In the event the JVRA is terminated, the cash amounts advanced will convert into a 2 year term loan with interest bearing 6% per annum. Additional payments totaling \$275,439 (\$200,000 USD) were made subsequent to September 30, 2023.

In 2021, the Company acquired the right to acquire the JVRA for the Vila Nova property from a third party through issuance of 5,125,000 common shares valued at \$1,981,000. The following table summarizes the net carrying amount of the intangible asset:

	Vila Nova
Balance, June 30, 2022	\$ 8,546,874
Option and acquisition payments made	1,881,082
Balance, June 30 and September 30, 2023	\$ 10,427,956

As at September 30, 2023, the intangible asset was not yet available for use and accordingly, no amortization was recognized for the period.

Subsequent to September 30, 2023, the Company paid an additional \$275,439 in relation to the purchase of the JVRA (Note 14).

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

7. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. Related parties are defined as key management personnel as well as any companies that are controlled by Officers or Directors of the Company. During the three month period ended September 30, 2023 and 2022, the Company paid or accrued wages and recognized share-based compensation to key management personnel in the following manner:

	Three months ended September 30, 2023	Three months ended September 30, 2022
Short-term employee benefits	\$ 60,460	\$ 70,180
Share-based compensation	24,230	59,240
	\$ 84,690	\$ 129,420
Recorded as:		
Consulting fees	\$ 36,460	\$ 46,180
Share-based compensation	24,230	59,240
Site exploration costs	24,000	24,000
	\$ 84,690	\$ 129,420
Options issued	nil	nil

As at September 30, 2023; included in accounts payable and accrued liabilities was:

- \$nil (June 30, 2023- \$817) was owed for corporate expenses to the President of the Company and;
- \$19,750 (2 June 30, 2023022 - \$30,500) was owed for professional fees to a company controlled by the Chief Financial Officer.

All amounts remaining are non-interest bearing and have no fixed terms of repayment.

As at September 30, 2023, \$433,182 (June 30, 2023- \$433,182) was owing to a former President of the Company and \$147,072 (June 30, 2023- \$147,072) was owed to a company owned by the former President of the Company. The outstanding balances remain in accounts payable as at September 30, 2023.

During the year ended June 30, 2018, the Company received notice of a claim filed by the former President of the Company seeking to collect the outstanding balances as well as additional interest and other charges in the amount of \$1,047,615. During the year ended June 30, 2023, the claim was successful, but for less than the amounts recorded in accounts payable. During the year ended June 30, 2023, the Company recorded an extinguishment of accounts payable of \$485,691.

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

8. LOAN PAYABLE

During the year ended June 30, 2023, the Company entered into multiple loan agreements with third parties for \$1,000,000 of which \$36,000 was received in the three month period ended September 30, 2023. The loans bear interest at 12% per annum, are unsecured, will have a one-year term and are due on maturity. During the three month period ended September 30, 2023, the Company accrued \$30,385 (2022 - \$nil) in interest and \$120,000 (2022 - \$nil) of share based compensation (Note 9) in related to these loans.

9. SHARE CAPITAL

Authorized unlimited common voting shares, no par value.

Issued

During the three month period ended September 30, 2023, the Company issued 300,000 bonus common shares in relation to the loan payable (Note 7) at a fair value of \$120,000.

During the year ended June 30, 2023 the Company issued:

- 1,735,017 of units were issued at a price of \$0.65 per share for total proceeds of \$1,127,760 by way of a private placement. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.80 per share for a period of 12 months after the closing of the private placement, whereby the expiry date of the warrants may be accelerated in the event the daily trading price of the shares equals or exceeds \$1.20 for 15 consecutive trading days; and
- 875,001 of units were issued at a price of \$0.60 per share for total proceeds of \$525,001 by way of a private placement. Each unit is comprised of one common share and one share purchase warrant. Each warrant shall entitle the holder to acquire one additional common share at a price of \$0.90 per share for a period of 18 months after the date of issuance.
- \$81,130 was allocated to warrant reserves under residual method.

In addition, the Company also issued:

- 250,000 of common shares by way of option exercise at a price of \$0.35 per share for total proceeds of \$87,500;
- 6,583,333 of common shares by way of convertible debenture exercise at a price of \$0.30 per share for total proceeds of \$1,975,000; and
- 20,000 of common shares by way of warrant exercise at a price of \$0.30 per share for total proceeds of \$6,000.

As at September 30, 2023, the number of shares issued, but not fully paid was 195,422 (June 30, 2023 – 195,422).

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

9. SHARE CAPITAL (cont'd...)**Stock options**

As at September 30, 2023, the Company has a stock option plan in place (the “Stock Option Plan”) under which it can grant a maximum number of stock options equal to 10% of the total issued and outstanding common shares. The purpose of the Stock Option Plan is to encourage ownership of the Company’s common shares by persons who are directors, senior officers and employees, as well as consultants, and employees of management companies providing services to the Company. The term of any option granted under the Stock Option Plan may not exceed 10 years. The vesting periods for all options granted pursuant to the Stock Option Plan will be determined at the discretion of the Board of Directors at the time of the grant. The vesting schedule shall provide for a vesting period of at least 12 months and that the options will vest equally on a quarterly basis over the vesting period in respect to options granted to consultants performing investor relations activities. The number of options granted to any one person may not exceed 5% of the outstanding listed common shares in a 12-month period.

During the year ended June 30, 2023, the Company granted 200,000 incentive stock options with a term of five years. Each option entitles the holders to acquire one common share at a price of \$0.65 per share. Vesting terms are one third vesting one, two and three years from the grant date.

	As at September 30, 2023		As at June 30, 2023	
	Number of Options	Weighted Ave. Exercise Price	Number of Options	Weighted Ave. Exercise Price
Outstanding, beginning of period	2,275,000	\$ 0.56	2,325,000	\$ 0.54
Granted	-	\$ -	200,000	\$ 0.65
Exercised	-	\$ -	(250,000)	\$ (0.35)
Outstanding, end of period	<u>2,275,000</u>	<u>\$ 0.56</u>	<u>2,275,000</u>	<u>\$ 0.56</u>

As at September 30, 2023, the following stock options are outstanding and exercisable:

<i>Number of options outstanding</i>	<i>Number of options exercisable</i>		<i>Exercise price</i>	<i>Remaining life (yrs)</i>	<i>Expiry</i>
700,000	466,667	\$	0.35	2.40	February 22, 2026
500,000	166,667	\$	0.45	7.93	September 3, 2031
875,000	291,667	\$	0.80	3.60	May 6, 2027
200,000	66,667	\$	0.65	4.05	October 17, 2027
<u>2,275,000</u>	<u>991,667</u>			<u>4.22</u>	

JZR GOLD INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the three months ended September 30, 2023
(Unaudited – Prepared by Management)

9. SHARE CAPITAL (cont'd...)

Stock options (cont'd...)

During the three month period ended September 30, 2023, the Company recorded share-based compensation of \$33,560 (2022 - \$78,578). The amount was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	September 2021	May 2022	October 2022
Expected volatility	110%	104%	99%
Expected life	10 years	5 years	5 years
Risk-free interest rate	1.11%	2.94%	3.72%
Dividend yield	0.00%	0.00%	0.00%
Exercise price	\$ 0.45	\$ 0.80	\$ 0.65
Spot price	\$ 0.56	\$ 0.77	\$ 0.64
Forfeiture rate	0.00%	0.00%	0.00%

Share purchase warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at June 30, 2022	4,111,130	\$ 1.16
Issued	2,640,518	\$ 0.83
Exercised	(20,000)	\$ 0.30
Expired	(4,111,130)	\$ 1.16
Balance at June 30, 2023	2,620,518	\$ 0.83
Expired	(1,002,593)	\$ 0.80
Balance at September 30, 2023	1,617,925	\$ 0.85

As at September 30, 2023 the following warrants were outstanding and exercisable:

Number of Warrants	Exercise Price	Expiry Date
736,924	\$ 0.80	October 28, 2023 *
6,000	\$ 0.80	October 28, 2023 *
875,001	\$ 0.90	April 21, 2024
1,617,925		

* Expired unexercised subsequent to September 30, 2023

During the year ended June 30, 2023, the Company granted 2,610,018 warrants to investors as well as 10,500 broker warrants pursuant to two non-broker private placements. The Company also granted 20,000 warrants for a convertible debt holder. During the year ended June 30, 2022, the Company granted 3,991,670 warrants to investors as well as 113,460 broker warrants pursuant to two non-brokered private placements.

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

9. SHARE CAPITAL (cont'd...)**Share purchase warrants (cont'd...)**

The fair value of the broker warrants granted during the year ended June 30, 2023 of \$2,013 were estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	<u>September 2022</u>	<u>October 2022</u>
Expected volatility	99%	99%
Expected life	1 year	1 year
Risk-free interest rate	3.72%	3.72%
Dividend yield	0%	0%
Exercise price	\$ 0.80	\$ 0.80
Spot price	\$ 0.61	\$ 0.62
Forfeiture rate	0%	0%

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment in two geographic locations, being the acquisition and development of mineral rights and properties in Canada and Brazil. Other than the loans receivable and intangible asset, the remaining operations pertained to the properties in Canada.

As at September 30, 2023:	<u>Canada</u>	<u>Brazil</u>	<u>Total</u>
Security deposits	\$ 33,500	\$ -	\$ 33,500
Loans receivable	40,867	-	40,867
Mineral properties and deferred exploration costs	717,010	-	717,010
Intangible asset	-	10,427,956	10,427,956
Total	\$ 791,377	\$10,427,956	\$11,219,333

As at June 30, 2023:			
Security deposits	\$ 33,500	\$ -	\$ 33,500
Loans receivable	39,667	-	39,667
Mineral properties and deferred exploration costs	720,461	-	720,461
Intangible asset	-	10,427,956	10,427,956
Total	\$ 793,628	\$10,427,956	\$11,221,584

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

i. Non-cash investing and financing activities

The significant non-cash transactions during the three month period ended September 30, 2023 were:

- Recognized share based compensation of \$33,560 on options vested
- Recognized share based compensation of \$120,000 on the issuance of 300,000 bonus common shares
- Expiry of 4,500 broker warrants with a fair value of \$847.

The significant non-cash transactions during the three month period ended September 30, 2022 were:

- Issued 998,093 warrants with a fair value of \$798,474
- Issued 4,500 broker warrants with a fair value of \$847
- Recognized share based compensation of \$78,578 on options vested
- Issued 20,000 common shares on the redemption of \$6,000 of the Convertible Debentures

12. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist of cash and cash equivalents, loans receivable, security deposits, accounts payable and accrued liabilities, due to related parties, loan payable and convertible debentures payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 or indirectly; and
 Level 3 – Inputs that are not based on observable market data.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at September 30, 2023 as follows:

	Fair Value Measurements Using			Balance, September 30, 2023 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash and cash equivalents	22,058	–	–	22,058

JZR GOLD INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

12. FINANCIAL INSTRUMENTS AND RISKS (cont'd...)

As September 30, 2023, the Company's cash and cash equivalents is measured using level 1 inputs of the fair value hierarchy, consisting of quoted prices in active markets for identical assets. The fair value of all other financial instruments approximates their carrying values due to the relatively short-term maturity of these instruments, or attached market rates of interest, as the loan receivable and security deposits are not short term.

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at June 30, 2023 as follows:

	Fair Value Measurements Using			Balance, September 30, 2023 \$	
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$		
	Cash and cash equivalents	166,753	–		–
					166,753

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and security deposits are held with high credit quality financial institutions, and the loan receivable is secured by the asset sold. The Company believes it does not have material exposure to credit risk. The Company's exposure to and management of credit risk have not changed materially from that of the year ended June 30, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2023, the Company had a cash balance of \$22,058 to settle current liabilities of \$1,835,439.

There is a risk that the Company may not be able to fulfill its obligation when a liability is due. 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. The Company's exposure to and management of liquidity risk have not changed materially from that of the year ended June 30, 2023.

12. FINANCIAL INSTRUMENTS AND RISKS (cont'd...)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and comprises: currency risk, interest rate risk and other price risk. The Company's exposure to and management of market risk have not changed materially from that of the year ended June 30, 2023.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has \$33,500 of security deposits earning interest at an average rate of 0.57% per annum. Security deposits and cash are held in banks receiving market rates of interest. There is no interest rate risk associated with the convertible debentures as they were repaid during the year. The loan receivable does not bear interest and the loan payable is at a set interest rate of 12% per annum, which approximates a market rate of interest. As such, the Company does not believe that it is materially exposed to interest rate risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have assets or liabilities denominated in a foreign currency and therefore is not exposed to currency risk.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer by factors affecting all similar financial instruments traded in the market. The Company considers commodity prices when raising money through equity issuances of units or common shares of the Company. However, the Company is not directly exposed to other price risk with respect to commodity and equity prices, as it does not hold or trade commodities or marketable securities. When considering an equity raise of funds, the Company closely monitors commodity prices of gold and the stock market price of the Company's common shares to determine the appropriate course of action to be taken by the Company.

13. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

In the management of capital, the Company monitors its capital structure which comprises all components of shareholders' equity, which totaled \$9,469,094 at September 30, 2023 (June 30, 2023 - \$9,606,036).

The Company sets the amount of capital in proportion to risk. 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. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. The Company's overall strategy remains unchanged from the year ended June 30, 2023.

JZR GOLD INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended September 30, 2023

(Unaudited – Prepared by Management)

14. SUBSEQUENT EVENTS

Subsequent to September 30, 2023, the Company:

- Made additional payments of \$275,439 in relation to the purchase of the JVRA;
- Issued 300,000 bonus shares in relation to the loan payable (Note 8);
- Returned 60,000 shares to treasury;
- Had 742,924 share purchase warrants expire; and
- Completed a non-brokered private placement whereby the Company issued 4,000,000 units at a price of \$0.20 per unit for gross proceeds of \$800,000.