

GOLDEN GOLIATH RESOURCES LTD.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 and 2022
(Expressed in Canadian Dollars)



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Independent Auditors' Report

To the Shareholders of Golden Goliath Resources Ltd.

Opinion

We have audited the consolidated financial statements of Golden Goliath Resources Ltd. (the "Group"), which comprise the consolidated statement of financial position as at August 31, 2023 and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at August 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other matter

The consolidated financial statements of Golden Goliath Resources Ltd. for the year ended August 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on December 20, 2022.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Kwan.



**Chartered Professional Accountants
Vancouver, Canada
December 22, 2023**

GOLDEN GOLIATH RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	AUGUST 31, 2023	AUGUST 31, 2022
ASSETS		
Current Assets		
Cash	\$ 131,703	\$ 137,535
Short-term investments (Note 4)	315,143	857,516
Accounts receivable (Note 5)	8,736	31,211
Prepaid expenses	3,191	34,212
Total Current Assets	458,773	1,060,474
Non-Current Assets		
Value-added taxes recoverable	9,481	6,302
Exploration and evaluation assets (Notes 6 and 15)	3,695,875	3,313,666
Total Assets	\$ 4,164,129	\$ 4,380,442
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 115,250	\$ 47,500
Flow-through premium (Note 7)	12,115	-
Due to related parties (Note 12)	228,500	180,500
Total Liabilities	355,865	228,000
EQUITY		
Share capital (Note 7)	30,665,318	30,458,588
Share-based payments reserve (Note 7)	3,565,284	3,563,584
Deficit	(30,422,338)	(29,869,730)
Total Equity	3,808,264	4,152,442
Total Liabilities And Equity	\$ 4,164,129	\$ 4,380,442

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 14)

These consolidated financial statements were authorized for issue by the Board of Directors on December 22, 2023. They are signed on behalf of the Company by:

"J. Paul Sorbara"

Director

"Stephen W. Pearce"

Director

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

GOLDEN GOLIATH RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	YEARS ENDED AUGUST 31,	
	2023	2022
Expenses		
Consulting (Note 12)	\$ 96,000	\$ 96,000
Foreign exchange gain	(4,091)	(470)
Investor relations	58,094	104,770
Management fees (Note 12)	138,000	138,000
Office and general	39,609	25,610
Professional fees	135,166	123,955
Rent and utilities	20,626	17,980
Transfer agent and filing fees	20,739	22,611
Travel	5,498	14,365
Loss Before Other Income (Expenses)	(509,641)	(542,821)
Other Income (Expenses)		
Interest income	12,264	4,095
Flow-through recovery (Note 7)	13,385	-
Write down of exploration and evaluation assets (Notes 6 and 15)	(68,616)	(57,860)
Net Loss and Comprehensive Loss for The Year	\$ (552,608)	\$ (596,586)
Loss Per Share – Basic and Diluted	\$ (0.03)	\$ (0.03)
Weighted Average Number of Shares Outstanding – Basic and diluted	21,825,248	21,008,517

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

GOLDEN GOLIATH RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

	COMMON SHARES WITHOUT PAR VALUE		SHARE-BASED PAYMENTS RESERVE	DEFICIT	TOTAL EQUITY
	SHARES	AMOUNT			
Balance, August 31, 2021	20,726,697	\$ 30,242,288	\$ 3,497,884	\$ (29,273,144)	\$ 4,467,028
Units issued for private placement	582,714	163,160	40,790	-	203,950
Units issued for services	274,428	76,840	19,210	-	96,050
Share issuance costs	-	(23,700)	5,700	-	(18,000)
Net loss for the year	-	-	-	(596,586)	(596,586)
Balance, August 31, 2022	21,583,839	30,458,588	3,563,584	(29,869,730)	4,152,442
Shares issued for exploration and evaluation assets	264,285	46,250	-	-	46,250
Units issued for private placement	1,700,000	204,000	-	-	204,000
Allocation of flow-through premium	-	(25,500)	-	-	(25,500)
Share issuance costs	-	(18,020)	1,700	-	(16,320)
Net loss for the year	-	-	-	(552,608)	(552,608)
Balance, August 31, 2023	23,548,124	\$ 30,665,318	\$ 3,565,284	\$ (30,422,338)	\$ 3,808,264

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

GOLDEN GOLIATH RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2023 AND 2022
(Expressed in Canadian Dollars)

	YEARS ENDED AUGUST 31,	
	2023	2022
Operating Activities		
Net loss for the year	\$ (552,608)	\$ (596,586)
Adjustments to reconcile loss to net cash used in operating activities:		
Accrued interest	(7,208)	879
Flow-through recovery	(13,385)	-
Write down of exploration and evaluation assets	68,616	57,860
Change in non-cash operating assets and liabilities:		
Accounts receivable	19,296	128,990
Prepaid expenses	31,021	100,463
Accounts payable and accrued liabilities	124,353	(8,601)
Due to related parties	48,000	48,047
Cash Used In Operating Activities	(281,915)	(268,948)
Investing Activities		
Exploration advances	-	32,000
Expenditures on exploration and evaluation assets	(656,104)	(732,089)
Exploration grants received	194,926	-
Purchase of short-term investments	-	(4,250)
Proceeds from redemption of short-term investments	549,581	850,000
Cash Provided by Investing Activities	88,403	145,661
Financing Activities		
Unit issuances for private placement, net	187,680	185,950
Cash Provided by Financing Activities	187,680	185,950
(Decrease) Increase In Cash	(5,832)	62,663
Cash, Beginning of Year	137,535	74,872
Cash, End of Year	\$ 131,703	\$ 137,535
Supplementary Cash Flow Disclosure and Non-Cash Investing and Financing Activities:		
Exploration and evaluation assets costs included in accounts payable and accrued liabilities	\$ 65,369	\$ 8,766
Shares issued for exploration and evaluation assets	\$ 46,250	\$ -
Fair value of brokers warrants issued	\$ 1,700	\$ -
Flow-through premium allocated	\$ 25,500	\$ -
Shares issued for prepaid services	\$ -	\$ 96,050
Interest received	\$ 7,208	\$ 713

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

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Golden Goliath Resources Ltd. (the "Company") was incorporated on June 12, 1996 under the Business Corporations Act of British Columbia, Canada. The Company is a public company listed on the TSX Venture Exchange (the "TSX.V"), trading under the symbol "GNG". The address of the Company's corporate office and principal place of business is Suite 618, 688 West Hastings Street, Vancouver, British Columbia, Canada. The Company's principal business activity is the acquisition and exploration of resource properties.

The Company is in the exploration stage and is in the process of evaluating its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of the properties and upon future profitable production or proceeds from the disposition thereof. Management's plan in this regard is to secure additional funds through future equity financings, which either may not be available or may not be available on reasonable terms.

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. This assumes the Company will operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations, and commitments other than in the normal course of business and at amounts different from those in the financial statements. During the year ended August 31, 2023, the Company incurred a net loss of \$552,608 (2022 - \$596,586) and as at that date had an accumulated deficit of \$30,422,338 (2022 - \$29,869,730). The Company has incurred operating losses since inception, has no source of operating cash flow, minimal income from short-term investments, continues to rely on the cooperation of its related parties, and there can be no assurances that sufficient funding, including adequate financing, will be available to complete the exploration of its mineral properties and to cover general and administrative expenses necessary for the maintenance of a public company. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success. These factors cast substantial doubt on the Company's ability to continue as a going concern. Accordingly, the financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations, and commitments other than in the normal course of business and at amounts different from those in the consolidated financial statements.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

During the year ended August 31, 2023, the Company consolidated its issued and outstanding common stock on a 7 old for 1 new basis (the "Share Consolidation"). All share and per share information within these consolidated financial statements reflect the Share Consolidation.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated 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").

b) Basis of Preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. These consolidated financial statements have also been prepared using the accrual basis of accounting, except for cash flow information. In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for a fair presentation have been included.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

c) Foreign Currencies

The Company's reporting currency and functional currency is the Canadian dollar. The functional currency of the Company's subsidiaries is the Canadian dollar. Transactions in Mexican Pesos ("MXN") have been translated into Canadian dollars as follows:

- Monetary items at the rate prevailing at the statement of financial position date;
- Non-monetary items are measured at historical cost at the exchange rate in effect at the date of the transaction;
- Revenues and expenses are translated at the exchange rate in effect at the date of the transaction; and
- Gains or losses arising on foreign currency translation are included in the consolidated statements of operations and comprehensive loss.

d) Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The preparation of consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its judgments and estimates. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Critical Accounting Estimates

Impairment

Assets, especially exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements, and future operating performance.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant of shares. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of a share option, volatility, dividend yield, and making assumptions about them. The assumptions and model used for estimating fair value for share-based payment transactions are disclosed in Note 7.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

d) Significant Accounting Judgments and Estimates (Continued)

Critical Judgments Used in Applying Accounting Policies

Determination of going concern assumption

The preparation of these consolidated financial statements requires management to make judgments regarding the applicability of going concern assumption to the Company as discussed in Note 1.

Determination of functional currency

The functional currency for the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Title to mineral property interests

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

Exploration and evaluation expenditures

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 will flow to the Company, which may be based on assumptions about future events or circumstances. Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indicators of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's minerals properties.

If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the CGU, or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities, and existing permits. Estimates and assumptions made may change if new information becomes available.

Flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Decommissioning liabilities

Judgment is required to determine if there are legal or constructive obligations to incur restoration, rehabilitation, and environmental costs when there is an environmental disturbance caused by exploration, development, or ongoing production of an exploration and evaluation asset. When it is determined that an obligation exists, a provision is recognized. The provision for decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures, and the timing of those expenditures.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below for the year ended August 31, 2023 have been applied consistently to all periods presented in these consolidated financial statements.

a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Minera Delta S.A. de C.V. of Mexico, and 4247 Investments Ltd. (inactive) of British Columbia, Canada. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtained control, and will continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Significant inter-company balances and transactions have been eliminated on consolidation.

b) Financial Instruments and Risk Management

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income ("FVTOCI"), or measured at fair value through profit or loss ("FVTPL").

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets, is to hold the assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. Short-term investments is classified as a financial asset measured at amortized cost.

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. Cash is classified as a financial asset measured at FVTPL.

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. The Company has no financial assets classified at FVTOCI.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments and Risk Management (Continued)

Financial assets (Continued)

(c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(d) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

(i) Financial liabilities measured at amortized cost

A financial liability measured at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company's accounts payable and accrued liabilities and due to related parties are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at FVTPL

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company has no financial liabilities classified as FVTPL.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments and Risk Management (Continued)

Financial liabilities (Continued)

(d) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Risk Management

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

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.

Financial instruments are exposed to credit, liquidity, and market risks. 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. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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. Market risk comprises three types of price risk: currency risk, interest rate risk, and other price risk.

Credit risk and liquidity risk on amounts due to creditors are significant to the Company's statement of financial position. The Company manages these risks by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing, and financing activities. The Company's ability to raise share capital is indirectly related to changing metal prices and the prices of gold and silver in particular. To mitigate this market risk, the management of the Company actively pursues a diversification strategy with property holdings focusing on precious metals as well as base metals.

c) Cash

Cash includes cash on hand and cash held at financial institutions.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs associated with exploration and evaluation activities. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration, and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

As the Company currently has no operational income, any incidental revenues, including option payments, earned in connection with exploration stage activities are applied as a reduction to capitalized exploration costs with any excess accounted for as a gain on disposal.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. If it is determined that exploration and evaluation assets are not recoverable, the property is abandoned; or if management has determined an impairment in value, the property is written down to its estimated recoverable amount.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards 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 non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

Mining exploration tax credits for certain exploration expenditures are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year received due to uncertainty in collectability.

e) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets, are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

The impairment test is generally carried out on the asset's CGUs, which are the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has determined that each exploration and evaluation property is its own CGU as it is expected they will have separately definable cash inflows. At a later stage, if cash inflows change, the Company may group individual properties into one CGU.

Where an indicator of impairment exists, an estimate of the recoverable amount is made. The recoverable amount is the lesser of the asset's fair value less costs to sell or its value in use. Determining the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential, and operating performance. Changes in circumstances may affect these estimates and the recoverable amount.

An impairment loss is recognized in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income or loss.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Share Capital

Non-monetary consideration

Agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions other than as consideration for mineral properties are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors.

Accounting for equity units

The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The proceeds from the issue of units are allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market close price on the date the units are issued and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds.

Share-based compensation

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in reserves. Consideration received on the exercise of options is recorded as share capital and the related amount originally recorded in reserves is transferred to share capital. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of goods or services received.

All equity-settled share-based payments are reflected in share-based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payments made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense. If the options expire or are cancelled, the corresponding amount previously recorded remains in reserves.

Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Earnings (Loss) Per Share

Earnings (loss) per share are calculated based on the weighted average number of shares outstanding. The Company uses the treasury stock method to compute the dilutive effect of options, warrants, and other similar instruments. Under this method, the dilutive effect on earnings per share is calculated to reflect the use of the proceeds that could be obtained upon the exercise of options and warrants. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Basic and diluted losses per share are equal as the assumed conversion of outstanding options and warrants would be anti-dilutive.

h) Flow-through Shares and Units

The Company has from time to time, issued flow-through common shares and units to finance its exploration program. Pursuant to the terms of the flow-through agreements, these shares and units transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows: i) share capital – the market trading price of the common shares, ii) flow-through share premium – equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and iii) warrant reserve – any excess.

The Company also recognizes a deferred tax liability with a corresponding charge in profit or loss when the qualifying exploration and evaluation expenditures are renounced. If the Company has sufficient tax assets to offset the deferred tax liability, the liability will be offset by the recognition of a corresponding deferred tax asset and recovery of deferred income taxes through profit or loss in the reporting period.

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 portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

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 expense until paid.

i) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years.

Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Decommissioning Liabilities

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability is used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of operations over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of operations. The liability is assessed at each reporting date for changes to the current market-based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

The Company has no material restoration, rehabilitation, or environmental costs as any disturbance to date is minimal.

k) New Accounting Standards Interpretations Adopted

The Company has not adopted any new standards during the year ended August 31, 2023 that would have a material impact on the Company.

l) Future Accounting Standards Issued and Not Yet Effective

IAS 1 – Presentation of Financial Statements (“IAS 1”), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for periods beginning on or after January 1, 2024, with early application permitted. The Company has not early adopted the standard and does not expect the standard to have a material impact on the Company.

IAS 1 and IFRS Practice Statement 2, has been amended to help preparers in deciding which accounting policies to disclose. The amendment to is effective for periods beginning on or after January 1, 2024, with early application permitted. The Company has not early adopted the standard and does not expect the standard to have a material impact on the Company.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”), has been amended to introduce a new definition of “accounting estimates” to replace the definition of “change in accounting estimates” and also include clarification intended to help entities distinguish changes in accounting policies from changes in accounting estimates. The amendment to IAS 8 is effective for periods beginning on or after January 1, 2023. The Company has not early adopted the standard and does not expect the standard to have a material impact on the Company.

GOLDEN GOLIATH RESOURCES LTD.

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4. SHORT-TERM INVESTMENTS

As at August 31, 2023, the Company's short-term investment of \$307,935 (2022 - \$854,250) was comprised of Canadian investments in guaranteed investment certificates maturing on September 9, 2023 at an effective interest rate of 2.4% (2022 - 0.4%). As at August 31, 2023, the Company accrued \$7,208 (2022 - \$3,266) of interest receivable related to the investment.

5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2023	2022
Sales taxes recoverable	\$ 7,095	\$ 29,879
Other receivable	1,641	1,332
	\$ 8,736	\$ 31,211

6. EXPLORATION AND EVALUATION ASSETS

Detailed exploration and evaluation expenditures incurred with respect to the Company's mineral property interests owned, leased, or held under option are disclosed in Note 15. Property payments made on the Company's mineral property interests are included in the property descriptions below.

Uruachic Mining Camp

The Company has retained an undivided 100% interest in its principal property in the District, San Timoteo, where work had been focused for the last several years. El Aguilla has been granted a right of first refusal over this property.

During the year ended August 31, 2023, the Company incurred \$68,616 (2022 - \$56,660) in expenditures related to maintaining the Uruachic Mining Camp claims. As the Company is not currently exploring the property the incurred costs were written down as an impairment loss determined in accordance with IFRS 6. The Company will continue to hold the claims, but they are not viewed as priorities. Management does not currently intend to conduct any exploration activities on these non-core claims.

KWAI Property

During the year ended August 31, 2019, the Company signed an option agreement to acquire a 100% interest in the KWAI Property in the Red Lake District of Ontario. Per the terms of the agreement, in order to acquire a 100% interest, the Company is required to make certain cash milestone payments and issue common shares as follows:

	Cash	Common Shares
Upon signing agreement	\$ 10,500 (paid)	-
Upon regulatory approval (obtained in 2019)	-	28,571 (issued)
12 months from regulatory approval	10,000 (paid)	28,571 (issued)
24 months from regulatory approval	12,000 (paid)	-
36 months from regulatory approval	16,000 (paid)	-
48 months from regulatory approval	20,000 (paid)	-
Total	\$ 68,500	57,142

The acquisition is subject to a 1.5% net smelter return, of which the Company has an option to repurchase 0.75% for \$500,000.

The Ontario Ministry of Northern Development requested that the Company cancel its approved work permit on the KWAI property in order to aid its legal proceedings against the Grassy Narrows First Nations band. The Company received \$25,000 in compensation for cancellation of the permit.

GOLDEN GOLIATH RESOURCES LTD.

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6. EXPLORATION AND EVALUATION ASSETS (Continued)

SLF Property

During the year ended August 31, 2019, the Company signed an option agreement to acquire a 100% interest in the SLF Property in the Red Lake District of Ontario. Per the terms of the agreement, in order to acquire a 100% interest, the Company is required to make certain cash milestone payments and issue common shares as follows:

	CASH	Common Shares
Upon signing agreement	\$ 9,200 (paid)	-
Upon regulatory approval (obtained in 2019)	-	28,571 (issued)
12 months from regulatory approval	10,000 (paid)	28,571 (issued)
24 months from regulatory approval	12,000 (paid)	-
36 months from regulatory approval	16,000	-
48 months from regulatory approval	20,000	-
Total	\$ 67,200	57,142

The acquisition is subject to a 1.5% net smelter return, of which the Company has an option to repurchase 0.75% for \$500,000.

During the year ended August 31, 2021, the Company decided not to continue exploration on the property and during the year ended August 31, 2022, \$1,200 in deferred expenditures were written off as an impairment loss determined in accordance with IFRS 6.

Wish Ore Property

During the year ended August 31, 2029, the Company acquired a 100% interest in the Wish Ore Property in the townships of Wishat and Palmer, Ontario. To acquire the interest the Company completed the required minimum of \$75,000 in exploration expenditures on the property and made certain cash milestone payments and issued common shares per the terms of an option agreement as follows:

	CASH	Common Shares
Upon signing agreement	\$ 25,000 (paid)	-
Upon regulatory approval (obtained in 2019)	-	28,571 (issued)
12 months from regulatory approval	25,000 (paid)	28,571 (issued)
24 months from regulatory approval	25,000 (paid)	14,285 (issued)
Total	\$ 75,000	71,427

The property is subject to a 1.5% net smelter return, of which the Company has an option to repurchase 0.75% for \$500,000.

On April 1, 2022, the Company has been accepted to participate in the Ontario Junior Exploration Program intake for a maximum contribution of \$171,250 towards the cost of the Wish Ore Property project to be incurred between April 1, 2022 and February 15, 2023. During the year ended August 31, 2023, the Company received \$169,926.

Ernst Rare Earth Element

On February 28, 2023, the Company signed an option agreement to acquire a 100% interest in the Ernst Rare Earth Element ("REE") prospect near Lack Ernst in Quebec. To acquire the interest the Company must complete the required minimum of \$300,000 in exploration expenditures on the property and made certain cash milestone payments and issued common shares per the terms of an option agreement as follows:

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6. EXPLORATION AND EVALUATION ASSETS (Continued)

Ernst Rare Earth Element (Continued)

	Cash	Common Shares
Upon signing agreement	\$ 10,000 (paid)	-
Upon regulatory approval (received on April 18, 2023)	-	14,285 (issued)
12 months from regulatory approval	15,000	35,714 (issued)
24 months from regulatory approval	25,000	71,429 (issued)
36 months from regulatory approval	30,000	142,857 (issued)
48 months from regulatory approval	50,000	-
Total	\$ 130,000	264,285

The property is subject to a 1.0% net smelter return, of which the Company has the option to repurchase 0.5% for \$1,000,000.

7. SHARE CAPITAL AND RESERVES

Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Issued and Fully Paid

As at August 31, 2023, the Company had 23,548,124 (2022 – 21,583,839) common shares issued and fully paid.

On May 6, 2022, the Company issued 857,142 non-flow-through units pursuant to a private placement. 582,714 units were issued at \$0.35 for gross proceeds of \$203,950 while the remaining 274,428 units were issued in exchange for prepaid consulting services fairly valued at \$96,050. Each unit consisted of one non-flow-through common share and one share purchase warrant. One whole purchase warrant is exercisable to acquire one additional common share at \$0.49 for two years from the date of issuance. The warrants included in the units issued for cash were assigned a value of \$40,790 using the residual method and the warrants included in the units issued for prepaid consulting services were assigned a value of \$19,210 using the residual method. The Company paid cash finders' fees of \$18,000 and issued 51,428 finders' warrants in connection with the private placement. Each finders' warrant is exercisable to acquire one common share at \$0.49 for two years from the date of issuance. The fair value of the finders' warrants has been calculated as \$5,700 using the Black-Scholes pricing model, based on the following assumptions: weighted average risk-free interest rate of 0.82%, volatility factor of 100.53%, and an expected life of two years.

On April 19, 2023, the Company issued 264,285 common shares valued at \$46,250 pursuant to the Ernst Lake Agreement towards acquiring 100% interest in the Ernst Lake property - Quebec, Canada (Note 6).

On July 31, 2023, the Company issued 1,700,000 units at \$0.12 for gross proceeds of \$204,000 pursuant to a first tranche of a private placement. Each unit consisted of one flow-through common share and one share purchase warrant. The Company paid cash finders' fees of \$16,320 and issued 68,000 finders' warrants in connection with the private placement. One whole purchase warrant is exercisable to acquire one additional common share at \$0.20 for two years from the date of closing of the private placement.

The fair value of the finders' warrants has been calculated as \$1,700 using the Black-Scholes pricing model, based on the following assumptions: weighted average risk-free interest rate of 2.73%, volatility factor of 114.22%, and an expected life of two years.

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7. SHARE CAPITAL AND RESERVES (Continued)

Issued and Fully Paid (Continued)

A fair value of \$25,500 was assigned to the flow-through premium liability based on the residual value method. As of August 31, 2023, the Company has recognized \$13,385 in flow-through recovery associated with eligible exploration expenditures during the year. The Company is obligated to incur an additional \$107,000 in eligible exploration expenditures. The remaining flow-through premium liability is \$12,115.

Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Balance August 31, 2021	4,282,910	\$1.61
Expired	(3,478,264)	\$1.68
Issued	908,570	\$0.49
Balance August 31, 2022	1,713,216	\$0.98
Expired	(782,286)	\$1.51
Issued	1,768,000	\$0.20
Balance August 31, 2023	2,698,930	\$0.31

The following table summarizes the share purchase warrants outstanding as of August 31, 2023:

Expiry Date	Number of Warrants	Exercise Price	Average Remaining Contractual Life
March 17, 2024	22,360	\$1.54	0.55
May 25, 2024	908,570	\$0.49	0.73
July 31, 2025	1,768,000	\$0.20	1.92
	2,698,930		

Stock Options

The Company has a 10% rolling stock option plan for its directors, officers, employees, and consultants to acquire common shares of the Company at a price determined with reference to the fair market value of the shares at the date of grant. The Company's stock option plan provides for immediate vesting or vesting at the discretion of the Board at the time of the option grant. Options are exercisable for a period of up to five years. Stock options granted to investor relations' consultants vest over a twelve-month period, with one quarter of such options vesting in each three-month period.

The expected volatility assumption is based on the historical volatility of the Company's common share price on the TSX.V. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

GOLDEN GOLIATH RESOURCES LTD.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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7. SHARE CAPITAL AND RESERVES (Continued)

Stock Options (Continued)

A summary of changes in stock options is presented below:

	Number Of Shares	Weighted Average Exercise Price
Balance, August 31, 2021	1,035,702	\$0.93
Expired	(64,284)	\$0.70
Balance, August 31, 2022	971,418	\$0.95
Expired	(314,282)	\$0.70
Balance, August 31, 2023	657,136	\$1.07

The weighted average remaining contractual life of the options outstanding at August 31, 2023 was 0.77 (2022 - 1.36) years.

The following table summarizes the stock options outstanding as at August 31, 2023:

Expiry Date	Number of Options	Exercise Price	Average Remaining Contractual Life
September 1, 2023	135,712	\$2.10	0.00
October 19, 2023	35,713	\$2.10	0.13
September 9, 2024	485,711	\$0.70	1.03
	657,136		

Nature and Purpose of Reserves

The reserves recorded in equity on the Company's consolidated statements of financial position is comprised of "Share-based Payments Reserve" and is used to recognize the fair value of stock option grants and warrants prior to exercise and the fair value of other share-based consideration paid at the date of payment.

8. LOSS PER SHARE

The Company calculates the basic and diluted loss per common share using the weighted average number of common shares outstanding during each period and the diluted loss per share assumes that the outstanding vested stock options and share purchase warrants had been exercised at the beginning of the year.

To compute diluted earnings per share, the average number of shares outstanding is adjusted for the number of all potentially dilutive shares. As of August 31, 2023, the Company had a total of 657,136 (2022 – 971,418) stock options outstanding and a total of 2,698,930 (2022 – 1,713,216) warrants outstanding. The options and warrants were not included in the Company's loss per common share calculation because the result was anti-dilutive.

GOLDEN GOLIATH RESOURCES LTD.

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9. SEGMENTED INFORMATION

The Company has one operating segment, which is mineral exploration. All mineral properties are located in Canada and Mexico. Long-term assets by geographic segment, at cost, are as follows:

	CANADA		MEXICO		TOTAL
August 31, 2023					
Exploration and evaluation assets	\$ 3,695,875	\$	-	\$	3,695,875
Value-added taxes recoverable	\$ -	\$	9,481	\$	9,481
<hr/>					
August 31, 2022					
Exploration and evaluation assets	\$ 3,313,666	\$	-	\$	3,313,666
Value-added taxes recoverable	\$ -	\$	6,302	\$	6,302
<hr/>					

10. FINANCIAL INSTRUMENTS

As at August 31, 2023 and 2022, the carrying value of the Company's financial instruments approximates their fair value. Cash is recorded at fair value and the Company's other financial instruments are recorded at amortized cost, which approximates fair value due to their short-term nature. The Company's financial instruments are classified into the following categories:

		AUGUST 31			
		2023		2022	
		LEVEL	CARRYING VALUE	FAIR VALUE	CARRYING VALUE
Fair value through profit or loss					
Cash	1	\$ 131,703	\$ 131,703	\$ 137,535	\$ 137,535
Amortized Cost					
Short-term investments		\$ 315,143	\$ 315,143	\$ 857,516	\$ 857,516
Accounts payable and accrued liabilities		\$ 115,250	\$ 115,250	\$ 47,500	\$ 47,500
Due to related parties		\$ 228,500	\$ 228,500	\$ 180,500	\$ 180,500
<hr/>					

There have been no transfers between levels of the fair value hierarchy for the years ended August 31, 2023 and 2022.

Financial Instrument Risk Exposure and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The types of risk exposure and the way in which such exposure is managed are provided as follows:

GOLDEN GOLIATH RESOURCES LTD.

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10. FINANCIAL INSTRUMENTS (Continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation and cause the other party to incur a financial loss. The Company's credit risk to its financial assets are summarized below:

	AUGUST 31, 2023		AUGUST 31, 2022
Cash	\$ 131,703	\$	137,535
Short term investments	\$ 315,143	\$	<u>857,516</u>

The Company does not invest in asset-backed commercial papers. Credit risk associated with cash and short-term investments is minimized as these instruments are held in large financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations associated with its financial liabilities as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash.

As of August 31, 2023, the Company has sufficient cash and highly liquid investments on hand to meet current liabilities and its expected administrative requirements for the coming year. The Company has cash of \$131,703 (2022 - \$137,535) and short-term investments of \$315,143 (2022 - \$857,516) and total liabilities of \$355,865 (2022 - \$228,000). Accounts payable and accrued liabilities and due to related parties of \$343,750 (2022 - \$228,000) are due within three months. Management has assessed liquidity risk as low.

Market Risk

The significant market risk exposures to which the Company is exposed to are foreign exchange risk, interest rate risk, and commodity price risk.

Foreign Exchange Risk

The Company has operations in Canada and Mexico subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars and Mexican pesos, and the fluctuation of the Canadian dollar in relation to this other currency will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Financial assets and liabilities denominated in Mexican pesos were as follows:

	AUGUST 31, 2023		AUGUST 31, 2022
Mexican pesos			
Financial assets	\$ 339,289	\$	446,744
Financial liabilities	(97,021)		<u>(120,132)</u>
Net	242,268		326,612
Canadian dollar equivalent	\$ 19,435	\$	<u>21,269</u>

Based on the above net exposures as at August 31, 2023, and assuming that all other variables remain constant, a 10% change in the value of the Mexican peso against the Canadian dollar would result in an increase/decrease of approximately \$1,943 (2022 - \$2,130) in loss from operations.

GOLDEN GOLIATH RESOURCES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS YEARS ENDED AUGUST 31, 2023 AND 2022 (Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (Continued)

Interest Rate Risk

As at August 31, 2023 the Company has no significant exposure to interest rate risk through its financial instruments.

Other Risks

Part of the Company's operations are in northern Mexico and are subject to various levels of political, economic, and other risks and uncertainties unique to Mexico. These risks and uncertainties may include: extreme fluctuations in currency exchange rates; high rates of inflation; labor unrest; risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits, and contracts; illegal mining; corruption; restrictions on foreign exchange and repatriation; hostage taking; and changing political conditions and currency controls. In addition, the Company may have to comply with multiple and potentially conflicting regulations in Canada and Mexico, including export requirements, taxes, tariffs, import duties, and other trade barriers, as well as health, safety, and environmental requirements. Changes, if any, in mining or investment policies or shifts in political attitude in Mexico may adversely affect the Company's operations. Operations may be affected in varying degrees by government regulations with respect to matters including restrictions on production, price controls, export controls, currency controls or restrictions, currency remittance, income, and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations, and local practices relating to mineral rights applications and tenure could result in loss, reduction, or expropriation of entitlements or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

11. CAPITAL DISCLOSURES

The Company was formed for the purpose of acquiring exploration and development stage natural resource properties. The directors determine the Company's capital structure and make adjustments to it based on funds available to the Company, in order to support the acquisition, exploration, and development of mineral properties. The directors have not established quantitative return on capital criteria for capital management.

The Company is dependent upon external financing to fund future exploration programs and its administrative costs. The Company will spend existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and to seek to acquire an interest in additional properties if management feels there is sufficient geologic or economic potential and provided it has adequate financial resources to do so.

The directors review the Company's capital management approach on an ongoing basis and believe that this approach, given the relative size of the Company, is reasonable. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern (Note 1).

The Company considers the items included on the statement of financial position in equity as capital. 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 new shares through private placements, sell assets to reduce debt or return capital to shareholders. There were no changes to the Company's approach to capital management during the year. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

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12. RELATED PARTY BALANCES AND TRANSACTIONS

Key Management Compensation

	2023	2022
Management fees	\$ 138,000	\$ 138,000
Consulting fees	120,000	96,000
Total	\$ 258,000	\$ 234,000

Payments to key management personnel including the President, Chief Financial Officer, directors, and companies directly controlled by key management personnel, are directly related to their position in the organization.

The Company had an amount due to related parties of \$228,500 (2022 - \$180,500) due to directors. The amounts are unsecured, bear no interest, and have no set terms of repayment.

13. INCOME TAXES

The Company is subject to income taxes on its non-consolidated financial statements in Canada and Mexico. The consolidated provision for income taxes varies from the amount that would be computed from applying the combined statutory income tax rates to net loss before taxes were approximately as follows:

	2023	2022
Combined statutory tax rate	27%	27%
Expected income tax expense (recovery)	\$ (149,000)	\$ (161,000)
Non-deductible differences and other	(6,000)	1,000
Change in tax assets not recognized	155,000	160,000
Income tax provision	\$ -	\$ -

The unrecognized deductible temporary differences as at August 31, 2023 and 2022 are comprised of the following:

	2023		2022		
	\$	Expiry Date	\$	Expiry Date	
Equipment	84,000	None	84,000	None	
Resource properties	2,014,000	None	1,874,000	None	
Capital losses	38,000	None	38,000	None	
Non-capital losses	12,064,000	2026-2043	11,900,000	2026-2042	
Share-issuance costs	51,000	2024-2027	63,000	2023-2026	
Unrecognized deductible temporary differences	14,251,000		13,959,000		

The Company has Canadian and Mexican non-capital losses of approximately \$12,064,000 which may be carried forward and applied against taxable income in future years. The Canadian and Mexican tax losses expire between August 31, 2026 and 2043, and December 31, 2024 and 2033, respectively.

Flow-through shares

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

GOLDEN GOLIATH RESOURCES LTD.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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14. SUBSEQUENT EVENTS

On September 1, 2023, 135,712 options exercisable at \$2.10 per option expired unexercised.

On October 10, 2023, the Company issued 1,900,000 units at \$0.10 per unit for gross proceeds of \$190,000 pursuant to the last tranche of a private placement announced on July 14, 2023. Each unit consisted of one non-flow-through common share and one share purchase warrant. One whole purchase warrant is exercisable to acquire one additional common share at \$0.20 for two years from the date of closing of the private placement.

On October 19, 2023, 35,713 options exercisable at \$2.10 per option expired unexercised.

GOLDEN GOLIATH RESOURCES LTD.
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15. EXPLORATION AND EVALUATION EXPENDITURES

	KWAI	SLF	Wish Ore	Ernst Lake	San Timoteo Oro Leon Nueva Union La Reforma	Bufalo La Barranca	Corona Beck El Chamizal El Canario La Cruz	Las Trojas La Gloria Todos los Santos Los Cantiles	Total
Balance, August 31, 2021	\$ 2,235,429	\$ --	\$ 577,945	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,813,374
Acquisition Costs									
Cash	16,000	--	--	--	--	--	--	--	16,000
Incurring during the year									
Assaying	89,444	--	1,210	--	--	--	--	--	90,654
Drilling	172,122	--	--	--	--	--	--	--	172,122
Geology and mapping	120,235	--	64,997	--	--	--	--	--	185,232
Property taxes and passage rights	--	--	--	--	9,193	10,027	1,902	958	22,080
Road and construction site	10,826	--	--	--	--	--	--	--	10,826
Facilities and other	22,347	1,200	3,111	--	33,660	--	--	920	61,238
Write down	--	(1,200)	--	--	(42,853)	(10,027)	(1,902)	(1,878)	(57,860)
Balance, August 31, 2022	2,666,403	--	647,263	--	--	--	--	--	3,313,666
Acquisition Costs									
Cash	20,000	--	--	10,000	--	--	--	--	30,000
Issuance of commons shares	--	--	--	46,250	--	--	--	--	46,250
Incurring during the year									
Assaying	9,136	--	40,851	3,086	--	--	--	--	53,073
Drilling	--	--	138,908	--	--	--	--	--	138,908
Geology and mapping	28,052	--	104,348	108,214	626	--	--	--	241,240
Property rights	--	--	--	--	11,777	12,884	2,728	2,412	29,801
Travel	3,783	--	8,363	--	--	--	--	--	12,146
Road and construction site	--	--	34,980	--	--	--	--	--	34,980
Facilities and other	--	--	16,036	5,128	38,189	--	--	--	59,353
Ontario Junior Exploration Program Grant	--	--	(169,926)	--	--	--	--	--	(169,926)
Province of Ontario – Cost compensation	(25,000)	--	--	--	--	--	--	--	(25,000)
Write down	--	--	--	--	(50,592)	(12,884)	(2,728)	(2,412)	(68,616)
Balance, August 31, 2023	\$ 2,702,374	\$ --	\$ 820,823	\$ 172,678	\$ --	\$ --	\$ --	\$ --	\$ 3,695,875