

TEUTON RESOURCES CORP.

Condensed Financial Statements
Nine Months Ended September 30, 2023
(Expressed in Canadian dollars)
(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", 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 Company's external auditors, Manning Elliott LLP, have not performed a review of these condensed financial statements.

TEUTON RESOURCES CORP.Condensed Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2023 \$	December 31, 2022 \$
	(unaudited)	
Assets		
Current assets		
Cash	1,536,525	2,410,982
Marketable securities (Note 3)	7,606,408	8,449,916
Amounts receivable	49,501	43,026
Due from related parties (Note 6)	221,977	23,161
Prepaid expenses and deposits	66,858	36,887
Total current assets	9,481,269	10,963,972
Non-current assets		
Reclamation bonds (Note 5)	264,366	268,366
Property and equipment (Note 4)	933,084	940,260
Exploration and evaluation assets (Note 5)	3,547,315	3,486,431
Total non-current assets	4,744,765	4,695,057
Total assets	14,226,034	15,659,029
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	124,891	74,189
Due to related party (Note 6)	—	17,653
Total liabilities	124,891	91,842
Shareholders' equity		
Share capital	32,918,236	32,918,236
Share-based payment reserve (Notes 6 and 7)	6,620,186	5,698,098
Deficit	(25,437,279)	(23,049,147)
Total shareholders' equity	14,101,143	15,567,187
Total liabilities and shareholders' equity	14,226,034	15,659,029

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board on November 29, 2023:

/s/ "Dino Cremonese"

Dino Cremonese, Director

/s/ "Robert Smiley"

Robert Smiley, Director

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

TEUTON RESOURCES CORP.

Condensed Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended September 30, 2023 \$	Three months ended September 30, 2022 \$	Nine months ended September 30, 2023 \$	Nine months ended September 30, 2022 \$
Expenses				
Consulting fees	22,500	22,500	87,500	87,500
Depreciation	8,035	5,399	21,359	15,917
Investor relations	604	–	3,399	19,947
Office, rent, and telephone (Note 6)	7,493	4,719	31,739	24,596
Professional fees	10,778	8,068	30,927	64,264
Salaries and benefits (Note 6)	45,000	45,000	143,100	136,797
Share-based compensation (Notes 6 and 7)	–	–	922,088	238,996
Transfer agent and regulatory fees	11,665	2,242	72,974	35,160
Travel	992	–	2,995	3,417
Total expenses	107,067	87,928	1,316,081	626,594
Loss before other income (expense)	(107,067)	(87,928)	(1,316,081)	(626,594)
Other income (expense)				
Interest income	14,619	8,764	41,685	14,640
Loss on disposal of marketable securities	(2,692)	–	(40,160)	–
Option proceeds received in excess of capitalized costs	–	165,874	150,805	165,874
Unrealized loss on marketable securities (Note 3)	(2,073,740)	(3,304,121)	(1,224,381)	(9,080,820)
Total other income (expense)	(2,061,813)	(3,129,483)	(1,072,051)	(8,900,306)
Net loss and comprehensive loss for the period	(2,168,880)	(3,217,411)	(2,388,132)	(9,526,900)
Loss per share, basic and diluted	(0.04)	(0.06)	(0.04)	(0.17)
Weighted average number of common shares outstanding	57,346,881	56,617,968	57,346,881	56,352,046

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

TEUTON RESOURCES CORP.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(unaudited)

	Share capital		Share-based payment reserve \$	Deficit \$	Total shareholders' equity \$
	Number of shares	Amount \$			
Balance, December 31, 2022	57,346,881	32,918,236	5,698,098	(23,049,147)	15,567,187
Fair value of stock options granted	–	–	922,088	–	922,088
Net loss for the period	–	–	–	(2,388,132)	(2,388,132)
Balance, September 30, 2023	57,346,881	32,918,236	6,620,186	(25,437,279)	14,101,143
Balance, December 31, 2021	56,216,881	32,489,118	3,894,002	(12,856,624)	23,526,496
Incremental share-based compensation for modified stock options	–	–	238,996	–	238,996
Shares issued pursuant to stock options exercised	1,130,000	429,118	(203,368)	–	225,750
Net loss for the period	–	–	–	(9,526,900)	(9,526,900)
Balance, September 30, 2022	57,346,881	32,918,236	3,929,630	(22,383,524)	14,464,342

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

TEUTON RESOURCES CORP.

Condensed Statements of Cash Flows
(Expressed in Canadian dollars)
(unaudited)

	Nine months ended September 30, 2023 \$	Nine months ended September 30, 2022 \$
Operating activities		
Net loss for the period	(2,388,132)	(9,526,900)
Items not involving cash:		
Depreciation	21,359	15,917
Loss on disposal of marketable securities	57,266	–
Option proceeds received in excess of capitalized costs	(150,805)	(165,874)
Share-based compensation	922,088	238,996
Unrealized loss on marketable securities	1,207,275	9,080,820
Changes in non-cash operating working capital:		
Amounts receivable	(6,475)	5,113
Prepaid expenses and deposits	(29,971)	(31,665)
Accounts payable and accrued liabilities	50,702	72,729
Due to/from related parties	(316,469)	27,811
Net cash used in operating activities	(633,162)	(283,053)
Investing activities		
Purchase of marketable securities	(384,000)	(2,600,000)
Proceeds from sale of marketable securities	101,967	–
Purchase of property and equipment	(16,660)	(580,054)
Exploration and evaluation asset expenditures	(78,602)	(202,919)
Mineral property option payments received	132,000	75,000
Refund of reclamation bond	4,000	–
Net cash used in investing activities	(241,295)	(3,307,973)
Financing activities		
Proceeds from shares issued	–	225,750
Net cash provided by financing activities	–	225,750
Change in cash	(874,457)	(3,365,276)
Cash, beginning of period	2,410,982	5,929,759
Cash, end of period	1,536,525	2,564,483
Non-cash investing and financing activities:		
Depreciation of property and equipment included in exploration and evaluation assets	2,477	3,096
Fair value of marketable securities received as mineral property option payments	139,000	100,500
Fair value of stock options exercised transferred from share-based payment reserve to share capital	–	203,368
Sale of exploration and evaluation asset included in due from related parties	100,000	–

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

TEUTON RESOURCES CORP.

Notes to the Condensed Financial Statements
Nine Months Ended September 30, 2023
(Expressed in Canadian dollars)
(unaudited)

1. Nature of Operations and Going Concern

Teuton Resources Corp. (the "Company") is an exploration stage company and is in the business of acquiring, exploring and dealing in mineral properties in the province of British Columbia, Canada. There has been no determination whether properties held contain economically recoverable ore reserves. The Company jointly conducts business and exploration activities with another publicly listed company, Silver Grail Resources Ltd. ("Silver Grail"). Silver Grail shares office premises and consultants and has common directors. The Company's head office and principal place of business is 2130 Crescent Road, Victoria, BC, Canada. The Company is listed as a Tier 2 mining issuer on the TSX Venture Exchange ("TSX-V") under the symbol "TUO".

In the ordinary course of business, the Company sells or options property interests to third parties, accepting as consideration cash and/or securities of the acquiring party. The Company attempts to realize upon the value of securities as opportunities present themselves. The recoverability of valuations assigned to mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the properties, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

These condensed financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2023, the Company has no source of recurring revenue and has an accumulated deficit of \$25,437,279. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors cast significant doubt on the Company's ability to continue as a going concern. These condensed financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Preparation

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and using the accounting policies consistent with those in the audited financial statements as at and for the year ended December 31, 2022.

These condensed financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended December 31, 2022. Interim results are not necessarily indicative of the results expected for the fiscal year.

(b) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2023, and have not been early adopted in preparing these condensed financial statements. Other new standards or amendments to existing standards but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

TEUTON RESOURCES CORP.

Notes to the Condensed Financial Statements
Nine Months Ended September 30, 2023
(Expressed in Canadian dollars)
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3. Marketable Securities

	December 31, 2022			Unrealized	September 30, 2023
	Fair value	Additions	Disposals	loss	Fair value
	\$	\$	\$	\$	\$
Marketable securities	8,449,916	523,000	(142,127)	(1,224,381)	7,606,408

The Company holds equity securities in publicly traded companies. During the nine months ended September 30, 2023, the Company recorded an unrealized loss in the amount of \$1,224,381 (2022 – \$5,776,699).

4. Property and Equipment

	Land	Building	Computer equipment	Field and drilling equipment	Furniture and equipment	Vehicle	Total
	\$	\$	\$	\$	\$	\$	\$
Cost:							
Balance, December 31, 2022	713,294	189,833	6,963	116,080	64,148	122,836	1,213,154
Additions	-	-	-	-	13,371	3,290	16,661
and September 30, 2023	713,294	189,833	6,963	116,080	77,519	126,126	1,229,815
Accumulated depreciation:							
Balance December 31, 2022	-	44,778	5,507	99,563	61,920	61,126	272,894
Additions	-	5,439	328	2,477	1,338	14,255	23,837
Balance, September 30, 2023	-	50,217	5,835	102,040	63,258	75,381	296,731
Carrying amounts:							
As at December 31, 2022	713,294	145,055	1,456	16,517	2,228	61,710	940,260
As at September 30, 2023	713,294	139,616	1,128	14,040	14,261	50,745	933,084

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Notes to the Condensed Financial Statements
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5. Exploration and Evaluation Assets

Exploration and evaluation assets consist of:

	Nine months ended September 30, 2023 \$	Year ended December 31, 2022 \$
Balance, beginning of period	3,486,431	3,303,895
Acquisition cost	–	500
Assays	7,531	4,207
Depreciation	2,477	4,129
Engineering (Note 6)	40,200	55,819
Equipment rental, safety personnel, and supplies	9,547	14,460
Geological and geophysical	46,948	68,875
Helicopters	136,244	41,261
Property taxes	24,680	16,784
Staking	1,281	367
Travel and accommodations	12,171	14,493
	281,079	220,895
B.C. mineral exploration tax credits	–	(28,733)
Property option and cost recoveries received	(371,000)	(175,500)
Option proceeds in excess of capitalized costs recorded as income	150,805	165,874
	(220,195)	(38,359)
Balance, end of period	3,547,315	3,486,431

(a) Skeena Mining Division, British Columbia

The Company owns or originally owned a 100% interest in the following properties in the Skeena Mining Division.

(i) Treaty Creek Property

On April 4, 2007, the Company entered into an option agreement with American Creek Resources Ltd. (“American Creek”) whereby American Creek had the right to earn a 51% interest in the Company’s Treaty Creek Property. Under the terms of the option agreement, American Creek earned a 51% interest in the Treaty Creek Property by issuing 100,000 shares and incurring exploration expenditures on the Treaty Creek Property aggregating \$5,000,000.

St. Andrew Goldfields Ltd. has a 2% net smelter return royalty (“NSR”) on 24 of the 44 mineral claims included in the Treaty Creek property. A buy-back of 1% of the NSR for \$1,000,000 is exercisable at any time until six months has passed from the commencement of commercial production.

On May 10, 2016, the Company entered into a joint venture agreement with Tudor Gold Corp. (“Tudor Gold”) and American Creek with respect to the Treaty Creek property. Pursuant to this joint venture agreement, Tudor Gold will issue 500,000 common shares in the capital of Tudor Gold to each of American Creek and the Company to purchase American Creek’s 31% interest and the Company’s 29% interest, respectively, in the property (received). Tudor Gold must also incur \$1,000,000 in exploration expenditures during the year ended December 31, 2016 (incurred).

TEUTON RESOURCES CORP.

Notes to the Condensed Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(i) Treaty Creek Property (continued)

Thereafter, Tudor Gold will hold an immediate 60% interest, and the Company and American Creek will each hold an immediate 20% interest in the joint venture. Both the Company and American Creek's interests are fully carried during the exploration period until a production notice is given. Once a production notice has been received, the Company and American Creek will each be responsible for 20% of the costs going forward under the terms of the joint venture agreement.

The Company retains a 0.98% NSR on certain core claims within the property and 0.49% NSR on peripheral claims.

(ii) Bonsai Property

The Company owns a 100% interest in the Bonsai property located in the Skeena Mining Division.

(iii) Leduc Silver Property

The Company owns a 100% interest in the Leduc Silver property located in the Skeena Mining Division.

(iv) Stamp Claims

The Company owns a 100% interest in the Stamp property located in the Skeena Mining Division.

(v) IC2 Claim

On August 5, 2010, the Company paid \$5,000 and issued 40,000 shares to acquire an undivided 100% interest in this mineral claim. The claim is subject to a 1.5% NSR capped at \$500,000. The IC2 Claim was included in the claims optioned to Pretium Resources on July 14, 2015. Refer to Note 5(a)(xvi).

(vi) Four J's Claims

The Company owns a 100% interest in the Four J's property located in the Skeena Mining Division.

TEUTON RESOURCES CORP.

Notes to the Condensed Financial Statements
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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(vii) Lord Nelson Property

On August 24, 2020, the Company entered into an agreement whereby Decade can earn up to a 75% interest in Lord Nelson property.

To earn a 55% interest in the property, Decade must do the following:

Cash consideration to be paid to the Company:

- \$10,000 to be paid upon execution of the agreement (received);
- a further \$15,000 to be paid on or before the earlier of August 24, 2021 and the date which is 30 days after the date on which Decade has completed the year one exploration expenditures (received);
- a further \$20,000 to be paid on or before the earlier of August 24, 2022 and the date which is 30 days after the date on which Decade has completed the year two exploration expenditures (extended to January 31, 2024);
- a further \$25,000 to be paid on or before the earlier of August 24, 2023 and the date which is 30 days after the date on which Decade has completed the year three exploration expenditures (extended to January 31, 2024); and
- a further \$30,000 to be paid on or before the earlier of August 24, 2024 and the date which is 30 days after the date on which Decade has completed the year four exploration expenditures.

Share consideration to be paid by Decade:

- 400,000 shares to be issued upon Exchange approval (received);
- a further \$15,000 worth of shares on the earlier of August 24, 2021 and 30 days after the date that Decade has completed the year one exploration expenditures (received);
- a further \$20,000 worth of shares on the earlier of August 24, 2022 and 30 days after the date that Decade has completed the year two exploration expenditures (extended to January 31, 2024);
- a further \$25,000 worth of shares on the earlier of August 24, 2023 and 30 days after the date that Decade has completed the year three exploration expenditures (extended to January 31, 2024); and
- a further \$30,000 worth of shares on the earlier of August 24, 2024 and 30 days after the date that Decade has completed the year four exploration expenditures.

Exploration expenditures to be incurred by Decade:

- \$200,000 on or before August 24, 2021 (incurred);
- a further \$250,000 on or before August 24, 2022 (extended to September 30, 2023);
- a further \$300,000 on or before August 24, 2023 (extended to September 30, 2023);
- a further \$500,000 on or before August 24, 2024; and
- a further \$750,000 on or before August 24, 2025.

Decade has the right to earn an additional 20% interest by placing the property into production. The Company retains a 2% NSR.

TEUTON RESOURCES CORP.

Notes to the Condensed Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(viii) High South Claims

On April 11, 2011, the Company issued 600,000 common shares with a fair value of \$342,000 pursuant to an agreement to purchase 12 mineral claims situated in the High South region. These claims are subject to a 2% NSR.

(ix) Fairweather Property

On December 15, 2015, the Company entered into an option agreement with Tudor Holdings Ltd. ("Tudor") whereby Tudor has the right to earn a 100% interest in the Company's Fairweather property located in the Skeena Mining Division. On May 24, 2016, Tudor assigned its right, obligation, interest and liabilities as Optionee under the option agreement with the Company to Tudor Gold Corp. ("Tudor Gold").

The property consists of six claims. On December 20, 2016, the Company entered into an amending agreement with Tudor Gold. To earn the 100% interest, Tudor Gold must pay a total of \$350,000 and issue 700,000 shares in the capital of Tudor Gold to the Company over five years.

On August 29, 2018, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$50,000 and increase the number of shares to be issued by 166,667.

On July 10, 2019, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$60,000 and increase the number of shares to be issued by 150,000.

Cash consideration to be paid:

- \$30,000 to be paid upon signing of the agreement (received);
- a further \$20,000 to be paid on or before December 20, 2016 (received);
- a further \$70,000 to be paid on or before December 15, 2019 (extended to June 1, 2020) (received 105,422 Tudor Gold shares in lieu); and
- a further \$120,000 to be paid on or before December 15, 2020 (received).

Tudor has agreed to use its commercially reasonable efforts to sell the claims in the agreement to Tudor Gold at cost. The shares of Tudor Gold will then be issued to the Company as follows:

Share consideration to be paid:

- 250,000 shares of Tudor Gold to be issued within five days of Tudor Gold receiving regulatory approval for the sale of the claims from Tudor to Tudor Gold (received);
- a further 50,000 shares of Tudor Gold to be issued on or before December 15, 2016 (received);
- a further 216,667 shares of Tudor Gold to be issued within two days of Tudor Gold receiving regulatory approval for the amended agreement dated August 29, 2018 (received);
- a further 200,000 shares of Tudor Gold to be issued within five days of Tudor Gold receiving regulatory approval for the amended agreement dated July 10, 2019 (received);
- a further 50,000 shares of Tudor Gold to be issued on or before December 15, 2019 (extended to June 1, 2020) (received); and
- a further 250,000 shares of Tudor Gold to be issued on or before December 15, 2020 (received).

The Company retains an NSR of 1.0% to 2.0% with no buyback.

TEUTON RESOURCES CORP.

Notes to the Condensed Financial Statements
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(Expressed in Canadian dollars)
(unaudited)

5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(x) Tennyson Property

The Company owns a 100% interest in the Tennyson gold-copper property located in the Skeena Mining Division.

(xi) Harry Property

On September 4, 2020, the Company entered into an agreement whereby Jayden Resources Inc. ("Jayden") can earn up to a 75% interest in the Company's Harry property.

To earn a 55% interest in the property, Jayden must do the following:

Cash consideration to be paid to the Company:

- \$25,000 to be paid upon execution of the agreement (subject to Exchange approval) (received);
- a further \$30,000 to be paid on or before the earlier of September 4, 2021 and the date which is 30 days after the date on which Jayden has completed the required exploration expenditures;
- a further \$35,000 to be paid on or before the earlier of September 4, 2022 and the date which is 30 days after the date on which Jayden has completed the required exploration expenditures;
- a further \$40,000 to be paid on or before the earlier of September 4, 2023 and the date which is 30 days after the date on which Jayden has completed the required exploration expenditures; and
- a further \$50,000 to be paid on or before the earlier of September 4, 2024 and the date which is 30 days after the date on which Jayden has completed the required exploration expenditures.

Exploration expenditures to be incurred by Jayden:

- \$100,000 on or before September 4, 2021 ("Year One Expenditures");
- a further \$250,000 on or before September 4, 2022;
- a further \$300,000 on or before September 4, 2023;
- a further \$500,000 on or before September 4, 2024; and
- a further \$850,000 on or before September 4, 2025.

Jayden has the right to earn an additional 20% interest by placing the property into production. The Company will be granted a 2% NSR upon Jayden earning its 55% interest in the property.

On September 13, 2021, the Company and Jayden agreed to terminate the option agreement.

On September 13, 2021, the Company entered into an agreement with Optimum Ventures Ltd. ("Optimum") whereby Optimum has the right to earn 80% interest in the Company's Harry Property located in the Skeena Mining Division.

To earn an 80% interest in the property, Optimum must do the following:

Cash consideration to be paid:

- \$50,000 to be paid upon receipt of Exchange approval (November 15, 2021) (received);
- a further \$75,000 to be paid on or before the earlier of November 15, 2022 and the date which is 30 days after the date on which Optimum has completed the Year One Expenditures (received);
- a further \$100,000 to be paid on or before the earlier November 15, 2023 and the date which is 30 days after the date on which Optimum has completed the Year Two Expenditures (received); and

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xi) Harry Property (continued)

Cash consideration to be paid (continued):

- a further \$150,000 to be paid on or before the earlier of November 15, 2024 and the date which is 30 days after the date on which Optimum has completed the Year Three Expenditures;
- a further \$400,000 to be paid on or before the earlier of November 15, 2025 and the date which is 30 days after the date on which Optimum has completed the Year Four Expenditures; and
- a further \$725,000 to be paid on or before the earlier of November 15, 2026 and the date which is 30 days after the date on which Optimum has completed the Year Five Expenditures.

Share consideration to be paid by Optimum:

- 200,000 shares to be issued upon Exchange approval (received);
- a further 300,000 shares to be issued on the earlier of November 15, 2022 and 30 days after the date that Optimum has completed the year one exploration expenditures (received);
- a further 300,000 shares to be issued on the earlier of November 15, 2023 and 30 days after the date that Optimum has completed the year two exploration expenditures (received);
- a further 700,000 shares to be issued on the earlier of November 15, 2024 and 30 days after the date that Optimum has completed the year three exploration expenditures;
- a further 1,000,000 shares to be issued on the earlier of November 15, 2025 and 30 days after the date that Optimum has completed the year four exploration expenditures; and
- a further 1,500,000 shares to be issued on the earlier of November 15, 2026 and 30 days after the date that Optimum has completed the year five exploration expenditures.

Exploration expenditures to be incurred by Optimum:

- \$500,000 on or before November 15, 2022 (“Year One Expenditures”) (incurred);
- a further \$1,000,000 on or before November 15, 2023 (“Year Two Expenditures”) (incurred);
- a further \$1,500,000 on or before November 15, 2024 (“Year Three Expenditures”);
- a further \$2,000,000 on or before November 15, 2025 (“Year Four Expenditures”); and
- a further \$4,000,000 on or before November 15, 2026 (“Year Five Expenditures”).

Upon the exercise of the option and Optimum acquiring an 80% interest, the parties will enter into a joint venture agreement for the operation of the project. The Company will be granted a 2% Net Smelter Royalty with no buyback.

(xii) Delta Property

On March 1, 2016, the Company entered into an option agreement with Tudor whereby Tudor has the right to earn a 100% interest in the Company's Delta property located in the Skeena Mining Division. On May 24, 2016, Tudor assigned its right, obligation, interest and liabilities as Optionee under the option agreement with the Company to Tudor Gold. The property consists of 10 claims. To earn the 100% interest, Tudor must pay a total of \$1,000,000 to the Company over four years.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xii) Delta Property (continued)

On August 29, 2018, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$100,000 and increase the number of shares to be issued by 333,333.

On July 10, 2019, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$100,000 and increase the number of shares to be issued by 200,000.

Cash consideration to be paid:

- \$100,000 to be paid upon signing of the agreement (received);
- a further \$100,000 to be paid on or before March 1, 2017 (received);
- a further \$100,000 to be paid on or before March 1, 2020 (extended to June 1, 2020) (received 150,602 Tudor Gold shares in lieu);
- a further \$200,000 to be paid on or before March 1, 2021 (received); and
- a further \$300,000 to be paid on or before March 1, 2022 (received).

Share consideration to be paid:

- 333,333 shares to be issued within five days of Tudor Gold receiving regulatory approval for the amended agreement dated August 29, 2018 (received); and
- 200,000 shares to be issued within five days of Tudor receiving regulatory approval for the amended agreement dated July 10, 2019 (received)

The Company retains an NSR of 1.5 to 2.5% with no buyback.

(xiii) High North Property

On March 1, 2016, the Company entered into an option agreement with Tudor whereby Tudor has the right to earn a 100% interest in the Company's High North property located in the Skeena Mining Division. On May 24, 2016, Tudor assigned its right, obligation, interest and liabilities as Optionee under the option agreement with the Company to Tudor Gold. The property consists of 5 claims. To earn the 100% interest, Tudor must pay a total of \$1,000,000 to the Company over four years.

On August 29, 2018, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$100,000 and increase the number of shares to be issued by 333,333.

On July 10, 2019, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$100,000 and increase the number of shares to be issued by 200,000.

Cash consideration to be paid:

- \$100,000 to be paid upon signing of the agreement (received);
- a further \$100,000 to be paid on or before March 1, 2017 (received);
- a further \$100,000 to be paid on or before March 1, 2020 (extended to June 1, 2020) (received 150,602 Tudor Gold shares in lieu);
- a further \$200,000 to be paid on or before March 1, 2021 (received); and
- a further \$300,000 to be paid on or before March 1, 2022 (received).

Share consideration to be paid:

- 333,333 shares to be issued within five days of Tudor Gold receiving regulatory approval for the amended agreement dated August 29, 2018 (received); and
- 200,000 shares to be issued within five days of Tudor Gold receiving regulatory approval for the amended agreement dated July 10, 2019 (received).

The Company retains an NSR of 2.5% with no buyback.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xiv) Orion Claims

On June 1, 2016, the Company entered into an option agreement with Tudor Gold whereby Tudor Gold has the right to earn a 100% interest in the Company's Orion property located in the Skeena Mining Division. The property consists of 8 claims. To earn the 100% interest, Tudor Gold must pay a total of \$700,000 and issue 700,000 shares to the Company over five years.

On August 29, 2018, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$50,000 and increase the number of shares to be issued by 166,667.

On July 10, 2019, the Company entered into an amending agreement with Tudor Gold to reduce the total cash to be paid by \$50,000 and increase the number of shares to be issued by 125,000.

Cash consideration to be paid:

- \$50,000 to be paid upon signing of the agreement (received);
- a further \$50,000 to be paid on or before June 1, 2017 (received);
- a further \$50,000 to be paid on or before June 1, 2020 (received 75,301 Tudor Gold shares in lieu); and
- a further \$450,000 to be paid on or before June 1, 2021 (received).

Share consideration to be paid:

- 250,000 shares to be issued within five days of Tudor Gold receiving regulatory approval for the sale of the claims from Tudor to Tudor Gold (received);
- a further 50,000 shares of Tudor Gold to be issued on or before June 1, 2017 (received);
- a further 216,667 shares to be issued within five days of Tudor Gold receiving regulatory approval for the amended agreement dated August 29, 2018 (received);
- a further 175,000 shares to be issued within five days of Tudor Gold receiving regulatory approval for the amended agreement dated July 10, 2019 (received);
- a further 50,000 shares of Tudor Gold to be issued on or before June 1, 2020 (received); and
- a further 250,000 shares of Tudor Gold to be issued on or before June 1, 2021 (received).

The Company retains an NSR of 2.5% with no buyback.

(xv) Del Norte and Midas Properties

The Company owns a 100% interest in the Del Norte Property and a 75% interest in the Midas Property. The Del Norte property consists of 23 claims. The Midas property is jointly owned with Silver Grail and consists of 7 claims.

On January 7, 2020, the Company entered into an option agreement with Decade Resources Ltd. ("Decade") whereby Decade can earn up to a 75% interest in the Del Norte property.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xv) Del Norte and Midas Properties (continued)

To earn a 55% interest in the property, Decade must do the following:

Cash consideration to be paid by Decade:

- \$20,000 to be paid on January 7, 2020 (received);
- a further \$30,000 to be paid on or before the earlier of January 7, 2021 and 30 days after the date that Decade has made the Year One Expenditures (received);
- a further \$40,000 to be paid on or before the earlier of January 7, 2022 and 30 days after the date that Decade has made the Year Two Expenditures (received);
- a further \$50,000 to be paid on or before the earlier of January 7, 2023 and 30 days after the date that Decade has made the Year Three Expenditures (received); and
- a further \$60,000 to be paid on or before the earlier of January 7, 2024 and 30 days after the date that Decade has made the Year Four Expenditures (received \$32,000 in cash and 280,000 Decade shares in lieu of the remaining balance).

Share consideration to be paid by Decade:

- 800,000 shares to be issued upon receipt of Exchange approval (received);
- a further \$30,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2021 and 30 days after the date that Decade has made the Year One Expenditures (received);
- a further \$40,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2022 and 30 days after the date that Decade has made the Year Two Expenditures (received);
- a further \$50,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2023 and 30 days after the date that Decade has made the Year Three Expenditures (received); and
- a further \$60,000 worth of shares (based on the weighted average closing price for shares for the 20 trading days preceding the date of issuance) on the earlier of January 7, 2024 and 30 days after the date that Decade has made the Year Four Expenditures (received).

Exploration expenditures to be incurred by Decade:

- \$400,000 on or before January 7, 2021 ("Year One Expenditures") (incurred)
- a further \$500,000 on or before January 7, 2022 ("Year Two Expenditures") (incurred);
- a further \$600,000 on or before January 7, 2023 ("Year Three Expenditures") (incurred);
- a further \$1,000,000 on or before January 7, 2024 ("Year Four Expenditures") (incurred); and
- a further \$1,500,000 on or before January 7, 2025 ("Year Five Expenditures").

Decade has the right to earn an additional 20% interest by placing the property into production. The Company retains a 2% NSR.

(xvi) King Tut, Tuck, and Silver Crown West Claims

On July 14, 2015 and as amended on April 21, 2016, the Company entered into an option agreement with Pretium Resources Inc. ("Pretium") whereby Pretium has the right to earn a 100% interest in the Company's King Tut, Tuck, and Silver Crown West properties located in the Skeena Mining Division. The King Tut and Tuck properties are 100% owned by the Company while the Silver Crown West properties are jointly owned by the Company and Silver Grail. All three properties consist of 18 claims. To earn the 100% interest, Pretium must pay a total of \$1,800,000 to the Company over four years as follows:

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xvi) King Tut, Tuck, and Silver Crown West Claims (continued)

Cash consideration to be paid:

- \$100,000 to be paid upon signing of the agreement (received);
- a further \$150,000 to be paid on or before August 15, 2015, after Pretium has obtained the approval of its Board of Directors to the agreement (received);
- a further \$250,000 to be paid on or before January 14, 2016 (received);
- a further \$250,000 to be paid on or before July 14, 2016 (received);
- a further \$250,000 to be paid on or before July 14, 2017 (received);
- a further \$400,000 to be paid on or before July 14, 2018 (received); and
- a further \$400,000 to be paid on or before July 14, 2019 (received).

The Company retains an NSR of 2% with no buyback.

Concurrently, the Company and Silver Grail entered into a letter agreement with regards to the option agreement between Pretium and the Company. As the Silver Crown West property is jointly owned by the Company and Silver Grail, as consideration, \$50,000 of the option proceeds are to be applied against any outstanding debt owed from Silver Grail to the Company (the "Debt"). Silver Grail retains one-half of any NSR payable by Pretium to the Company in regards to mineral production from the Silver Crown West property. If during this process the debt has been repaid, then Silver Grail is entitled to its share of the option proceeds and NSR in cash payments.

The Company jointly owns or originally jointly owned the following properties in the Skeena Mining Division with Silver Grail.

(xvii) Clone Property

On November 28, 2005, the Company and Silver Grail entered into an option agreement with Makena Resources Inc. ("Makena") whereby Makena has the right to earn a 50% interest in Silver Grail's and the Company's jointly owned Clone property, then comprised of 9 claims. An additional 10 claims were added to the property by staking in 2006.

Under the terms of the option agreement, Makena earned 50% interest in the properties by paying a total of \$120,000 cash consideration and incurring exploration expenditures on the Clone property aggregating \$1,800,000.

On September 27, 2017 (as amended October 3, 2018), the Company and Silver Grail entered into an option agreement with Sunvest Minerals Corporation ("Sunvest"), whereby Sunvest has the right to earn the Company and Silver Grail's 50% beneficial interest in the Clone Property. To earn this interest Sunvest is to issue a total of 5,000,000 of its shares, pay a total of \$200,000, and incur exploration expenditures on the property aggregating \$1,950,000.

On October 3, 2018, the Company entered into an amending agreement with Sunvest to reduce the total cash to be paid by \$25,000 and reduce the number of shares to be issued by 1,000,000.

Cash consideration to be paid equally to the Company and Silver Grail:

- \$25,000 to be paid on execution of the agreement (received);
- a further \$75,000 (\$50,000 in cash and issuance of 500,000 shares in lieu of the remaining balance) to be paid on or before September 27, 2018 (received); and
- a further \$100,000 to be paid on or before September 27, 2019 (not incurred; see below).

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xvii) Clone Property (continued)

Shares in the common stock of Sunvest to be issued equally to the Company and Silver Grail:

- 1,500,000 shares to be issued within five business days of September 27, 2017 (received);
- a further 1,500,000 shares to be issued on or before September 27, 2018 (received); and
- a further 2,000,000 shares to be issued on or before September 27, 2019 (not incurred; see below).

Exploration expenditures to be incurred by Sunvest:

- \$350,000 on or before September 27, 2018 (incurred);
- \$600,000 on or before September 30, 2019 (not incurred; see below); and
- \$1,000,000 on or before September 30, 2020 (not incurred; see below).

The Company and Silver Grail retain an NSR of 2%, one-half of which can be repurchased for \$1,500,000.

As of November 6, 2019, Sky Gold Corp. (formerly Sunvest Minerals Corporation) will no longer pursue the option agreement to earn an interest in the Clone project entered into with Silver Grail and the Company.

On November 15, 2019, the Company entered into an agreement with Gigs Capital Corp. (who in turn, acquired its interest by assignment from Makena) to purchase a 50% interest in the Clone Property for \$200,000. On July 1, 2023, Silver Grail elected to acquire an additional 25% of the Clone property from the Company for \$100,000. The Company now owns 50% of the Clone property with the remaining 50% owned by the Silver Grail.

(xviii) Konkin Silver Property

On April 20, 2004, the Company and Silver Grail purchased a 100% interest in 2 claims representing eight units situated within the boundaries of the Konkin Silver property. In fiscal 2004, the Company issued 50,000 of its shares at a fair value of \$13,750 and paid \$10,000 to the vendor for its 50% share of the claims. The vendor retains a 2% NSR, one-half of which can be purchased for \$1,000,000 until 18 months following the commencement of commercial production.

(xix) Bay Silver Claims

The Company owns a 50% interest in the Bay Silver property located in the Skeena Mining Division. Silver Grail owns the remaining 50% interest.

On August 16, 2018, the Company and Silver Grail entered into an agreement to option out their Bay Silver Property to AUX Resources Corp. (formerly Auramex Resources Corp.) ("Auramex"), whereby Auramex has the right to earn an undivided 100% ownership in the property. To earn this interest, Auramex is to issue 100,000 of its shares (Auramex effected a 1-for-5 share consolidation on June 30, 2020) and pay a total of \$120,000 as follows:

Cash consideration to be paid equally to Company and Silver Grail:

- \$10,000 to be paid on execution of the agreement (received);
- a further \$15,000 to be paid on or before July 28, 2019 (received);
- a further \$20,000 to be paid on or before July 28, 2020 (received);
- a further \$25,000 to be paid on or before July 28, 2021 (received); and
- a further \$50,000 to be paid on or before July 28, 2022 (received).

TEUTON RESOURCES CORP.

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5. Exploration and Evaluation Assets (continued)

(a) Skeena Mining Division, British Columbia (continued)

(xix) Bay Silver Claims (continued)

Common shares of Auramex to be issued equally to the Company and Silver Grail:

- 20,000 shares to be issued within three business days of regulatory approval for this agreement (received);
- a further 20,000 shares to be issued on or before July 28, 2019 (received);
- a further 20,000 shares to be issued on or before July 28, 2020 (received);
- a further 20,000 shares to be issued on or before July 28, 2021 (received); and
- a further 20,000 shares to be issued on or before July 28, 2022 (received).

Upon the exercise of the option, the Company and Silver Grail will retain a 2% NSR with an advance royalty payment of \$50,000 plus an additional increment payable according to inflation between 2018 and 2025 as measured by the Canadian Consumer Price Index ("CPI") first due from Auramex on June 28, 2025. The advance royalty will thereafter be payable yearly on July 28, as adjusted by the CPI. Auramex will have the right to purchase one-half of the Company's and Silver Grail's NSR at any time up to including ninety days after the commencement of commercial production on the property by paying \$1,000,000.

(xx) Champion South (formerly known as Silver Crown Property)

The Company owns a 50% interest in the Silver Crown property located in the Skeena Mining Division. Silver Grail owns the remaining 50% interest.

On March 15, 2019, the Company and Silver Grail entered into an agreement to option out their Silver Crown Property to Auramex, whereby Auramex has the right to earn an undivided 100% ownership in the property. To earn this interest, Auramex is to issue 100,000 of its shares and pay a total of \$120,000 as follows:

Cash consideration to be paid equally to Company and Silver Grail:

- \$10,000 to be paid on execution of the agreement (received);
- a further \$15,000 to be paid on or before March 15, 2020 (received);
- a further \$20,000 to be paid on or before March 15, 2021 (received);
- a further \$25,000 to be paid on or before March 15, 2022 (received); and
- a further \$50,000 to be paid on or before March 15, 2023 (received).

Common shares of Auramex to be issued equally to the Company and Silver Grail:

- 20,000 shares to be issued within three business days of regulatory approval for this agreement (received);
- a further 20,000 shares to be issued on or before March 15, 2020 (received);
- a further 20,000 shares to be issued on or before March 15, 2021 (received);
- a further 20,000 shares to be issued on or before March 15, 2022 (received); and
- a further 20,000 shares to be issued on or before March 15, 2023 (received).

(b) Roman Property, New Westminster Mining Division, British Columbia

The Company owns a 50% interest in 8 claims located in the New Westminster Mining Division. The remaining 50% interest is owned by Silver Grail.

(c) Reclamation Bonds

Reclamation bonds are amounts pledged to the province of British Columbia for property reclamation. The bonds mature and roll over each year until the Company is released from its obligations.

TEUTON RESOURCES CORP.

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6. Related Party Transactions

- (a) As at September 30, 2023, the amount of \$10,014 (December 31, 2022 – \$17,653 was owed to) was owed from the President of the Company, which is non-interest bearing, unsecured, and due on demand. For the nine months ended September 30, 2023, the Company incurred salary of \$140,000 (2022 - \$135,000) office, rent, and telephone expenses of \$3,600 (2022 – \$3,600), and engineering fees that were capitalized to exploration and evaluation assets of \$40,200 (2022 - \$55,819) to the President of the Company.
- (b) The Company carries on joint exploration activity with Silver Grail, a company having directors in common with the Company. As at September 30, 2023, the Company owns 207,932 common shares in Silver Grail with a fair value of \$20,793 (December 31, 2022 - \$16,635). As at September 30, 2023, the amount of \$211,963 (December 31, 2022 – \$23,161) was owed from Silver Grail, which is non-interest bearing, secured by certain mineral properties owned jointly with the Company, and due on demand.
- (c) During the nine months ended September 30, 2023, the Company incurred share-based compensation of \$922,088 (2022 - \$238,996) to officers and directors of the Company.

7. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company to a maximum of 10% of the issued and outstanding common shares at the time of the grant. The exercise price of each option shall not be less than the market price of the Company's stock on the date of the grant. Options granted under the plan have a maximum term of 10 years and vest as determined by the board of directors, except for options granted to consultants performing investor relations activities, which vest as to 25% three months from the grant date and 25% every three months thereafter, such that the options are 100% vested 12 months after the grant date.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2022	4,452,500	1.15
Granted	1,100,000	1.20
Expired	(200,000)	2.06
Outstanding, September 30, 2023	5,352,500	1.13

Additional information regarding stock options outstanding as at September 30, 2023 is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.225	400,000	0.8	0.23
0.50	960,000	1.6	0.50
1.17	2,050,000	4.1	1.17
1.20	1,100,000	4.3	1.20
2.06	842,500	2.2	2.06
	5,352,500	3.1	1.13

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7. Stock Options (continued)

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures, and the following weighted average assumptions:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Risk-free interest rate	2.85%	–
Expected life (in years)	5	–
Expected volatility	87%	–

The total fair value of the stock options recognized during the nine months ended September 30, 2023 was \$922,088 (2022 – \$238,996), which was recorded as share-based payment reserve and charged to operations. The weighted average grant date fair value of stock options granted during the nine months ended September 30, 2023 was \$0.84 (2022 - \$nil) per option. The weighted average stock price at the time stock options were exercised during the nine months ended September 30, 2023 was \$nil (2022 - \$1.33).

On January 13, 2022, the Company modified the exercise price of certain stock options to \$2.06 per common share. The Company used the Black-Scholes option pricing model to estimate the incremental share-based compensation. As a result, the Company recognized incremental share-based compensation of \$238,996 to directors of the Company.

8. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

9. Financial Instruments and Risk Management

(a) Fair Values

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

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	Balance as at September 30, 2023 \$
Assets:				
Cash	1,536,525	–	–	1,536,525
Marketable securities	7,581,541	24,867	–	7,606,408
Total assets measured at fair value	9,118,066	24,867	–	9,142,933

The fair values of other financial instruments, which include amounts due to and from related parties, and accounts payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

TEUTON RESOURCES CORP.

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9. Financial Instruments and Risk Management (continued)

(a) Fair Values (continued)

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

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

Level 3 – Significant unobservable (no market data available) inputs which are supported by little or no market activity.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and marketable securities. The Company limits its exposure to credit loss by placing its cash and marketable securities with high credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Risk

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

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. All of the Company's financial liabilities have maturities of one year or less.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

The Company is exposed to equity price risk through its marketable securities and unfavourable market conditions could result in dispositions of marketable securities at less than favourable prices, especially during periods of overall market instability.