



ELECTRUM DISCOVERY

(formerly Medgold Resources Corp.)

(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended September 30, 2024

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2024. These condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(Expressed in Canadian Dollars)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash	\$ 572,896	\$ 52,815
Cash held in trust (Note 2)	-	124,965
Prepaid expenses and deposits	68,987	6,913
Sales tax receivables	64,920	44,107
Total current assets	706,803	228,800
Non-current assets		
Convertible debenture (Note 8)	-	128,798
Long-term deposits	61,000	-
Exploration and evaluation assets (Note 7)	3,072,656	1,137,749
Total non-current assets	3,133,656	1,266,547
	\$ 3,840,459	\$ 1,495,347
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 412,040	\$ 1,154,848
Due to related parties (Note 11)	33,644	284,730
Current portion of long-term debt (Note 12(c))	257,759	-
Total current liabilities	703,443	1,439,578
Non-current liability		
Long-term payables (Note 12(c))	494,794	-
Deferred tax liability	69,346	69,346
Total liabilities	1,267,583	1,508,924
Shareholders' equity (deficiency)		
Share capital (Note 9)	5,100,742	1,943,350
Shares to be issued (Notes 2 and 15)	395,050	124,965
Other equity reserves (Note 9)	229,011	14,180
Deficit	(3,138,724)	(2,082,869)
Accumulated other comprehensive loss	(13,203)	(13,203)
Total shareholders' equity (deficiency)	2,572,876	(13,577)
	\$ 3,840,459	\$ 1,495,347

Nature of Operations and Going Concern (Note 1)

APPROVED ON BEHALF OF THE BOARD ON NOVEMBER 26, 2024:

"Dr. Elena Clarici (Signed)"
Dr. Elena Clarici, Director

"Michael Thomsen (Signed)"
Michael Thomsen, Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)

(Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
General and administrative expenses				
Audit and accounting fees	\$ 2,028	\$ 69,122	\$ 111,185	\$ 136,190
Consulting fees	65,092	5,766	115,123	22,339
Depreciation (Note 6)	566	-	2,458	-
Legal fees	12,478	19,575	173,678	63,496
Management and director fees (Note 11)	55,500	46,500	165,000	127,500
Marketing and investor relation fees	56,607	2,825	166,284	2,825
Office and administration (Note 11)	31,860	19,021	115,222	31,047
Salaries and benefits (Note 11)	10,742	-	62,603	-
Share-based payments (Notes 10 and 11)	69,945	-	192,473	-
Transfer agent and regulatory fees	7,406	-	26,585	-
Travel expenses	20,754	4,972	38,133	7,378
	(332,978)	(167,781)	(1,168,744)	(390,775)
Interest income	3,019	2	8,530	18
Interest income on convertible debenture (Note 8)	-	1,729	-	3853
Foreign exchange gain (loss)	2,790	1,056	(9,049)	2,659
Gain on extinguishment of debt (Note 2)	-	-	83,333	-
Gain on write-off of accounts payables	30,075	-	30,075	-
Listing expense	-	(230,738)	-	(900,399)
Net loss for the period	\$ (297,094)	\$ (395,732)	\$ (1,055,855)	\$ (1,284,644)
Other comprehensive income (loss)				
Foreign exchange translation gain	-	20,632	-	2,698
Comprehensive loss for the period	\$ (297,094)	\$ (375,100)	\$ (1,055,855)	\$ (1,281,946)
Loss per share, basic and diluted	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.05)
Weighted average number of shares outstanding	63,313,064	27,964,796	62,039,341	27,077,615

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY) (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Share subscriptions received	Other equity reserves		Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)
				Warrants reserve	Share-based payment reserve			
Balance, December 31, 2022	24,264,266	\$ 1,129,901	\$ 25,000	\$ 20,737	\$ -	\$ (5,674)	\$ (523,906)	\$ 646,058
Loss for the period	-	-	-	-	-	-	(1,284,644)	(1,284,644)
Shares issued for private placement	2,868,491	430,274	(25,000)	-	-	-	-	405,274
Shares issued for acquisition	1,000,000	150,000	-	-	-	-	-	150,000
Share issuance costs	-	(22,528)	-	-	-	-	-	(22,528)
Shares to be issued	-	-	216,913	-	-	-	-	216,913
Warrants exercised	79,100	7,910	-	(16,973)	-	-	-	(9,063)
Foreign currency translation adjustment	-	-	-	-	-	2,698	-	2,698
Balance, September 30, 2023	28,211,857	1,695,557	216,913	3,764	-	(2,976)	(1,808,550)	104,708
Loss for the period	-	-	-	-	-	-	(274,319)	(274,319)
Shares issued for private placement	1,760,239	264,036	-	-	-	-	-	264,036
Share issuance costs	-	(20,198)	-	(2,602)	-	-	-	(22,800)
Shares to be issued	-	-	(91,948)	-	-	-	-	(91,948)
Warrants exercised	-	3,955	-	13,018	-	-	-	16,973
Foreign currency translation adjustment	-	-	-	-	-	(10,227)	-	(10,227)
Balance, December 31, 2023	29,972,096	1,943,350	124,965	14,180	-	(13,203)	(2,082,869)	(13,577)
Loss for the period	-	-	-	-	-	-	(1,055,855)	(1,055,855)
Shares issued for private placement	21,600,000	2,160,000	(124,965)	-	-	-	-	2,035,035
Shares issued for debt settlement	1,666,667	166,667	-	-	-	-	-	166,667
Share issuance costs	-	(180,757)	-	9,447	-	-	-	(171,310)
Elimination of Balkan Metals share capital	(53,238,763)	-	-	-	-	-	-	-
Issuance of common shares on reverse acquisition	53,238,763	1,007,432	-	-	-	-	-	1,007,432
Outstanding common shares of Electrum brought forward	10,074,301	-	-	-	-	-	-	-
Recognition of replacement options	-	-	-	-	16,961	-	-	16,961
Shares to be issued	-	-	395,050	-	-	-	-	395,050
Transfer of other equity reserve on expiry of warrants	-	4,050	-	(4,050)	-	-	-	-
Share-based payments	-	-	-	-	192,473	-	-	192,473
Balance, September 30, 2024	63,313,064	\$ 5,100,742	\$ 395,050	\$ 19,577	\$ 209,434	\$ (13,203)	\$ (3,138,724)	\$ 2,572,876

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net loss for the period	\$ (297,094)	\$ (395,732)	\$ (1,055,855)	\$ (1,284,644)
Items not involving cash:				
Depreciation	566	-	2,458	-
Convertible debenture income	-	(3,140)	-	(5,264)
Share-based payments	69,945	-	192,473	-
Gain on write-off of accounts payable	(30,075)	-	(30,075)	-
Gain on extinguishment of debt	-	-	(83,333)	-
	(256,658)	(398,872)	(974,332)	(1,289,908)
Changes in non-cash working capital balances:				
Prepaid expenses and deposits	(17,687)	11,350	(62,074)	-
Sales tax receivables	6,136	(11,303)	(20,813)	(35,649)
Accounts payable and accrued liabilities	89,586	97,298	9,715	835,429
Due to related parties	24,909	42,510	(251,086)	80,988
Deferred acquisition costs	-	-	-	105,722
Net cash used by operating activities	(153,714)	(259,017)	(1,298,590)	(303,418)
FINANCING ACTIVITIES				
Net proceeds on share issuances	-	231,027	1,863,725	523,683
Share subscriptions received	395,050	236,468	395,050	216,913
Net cash provided by financing activities	395,050	467,495	2,258,775	740,596
INVESTING ACTIVITIES				
Convertible debenture investment	-	1,411	-	(122,123)
Deferred acquisition costs	-	-	(39,156)	(81,662)
Exploration and evaluation asset costs	(170,661)	(135,262)	(414,650)	(232,983)
Net cash acquired from reverse acquisition (Note 2)	-	-	13,702	-
Net cash used by investing activities	(170,661)	(133,851)	(440,104)	(436,768)
Cumulative translation adjustment		20,632		2,698
Increase in cash	70,675	95,259	520,081	3,108
Cash, beginning of period	502,221	25,536	52,815	117,687
Cash, end of period	\$ 572,896	\$ 120,795	\$ 572,896	\$ 120,795

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Electrum Discovery Corp, formerly Medgold Resources Corp. (the “**Company**”), is a public company incorporated and domiciled in British Columbia. The address of the Company’s head office and principal place of business is 650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6. On January 15, 2024, the Company completed a reverse asset acquisition transaction (the “**Acquisition**”) (Note 2) and concurrently, changed its name to Electrum Discovery Corp. The Company’s principal business activity is the acquisition and exploration of mineral properties in the natural resource sector.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. As of September 30, 2024, the Company had not yet achieved profitable operations and has accumulated losses of \$3,138,724 (December 31, 2023: \$2,082,869). As at September 30, 2024, the Company had \$572,896 (December 31, 2023: \$52,815) cash and total current liabilities of \$703,443 (December 31, 2023: \$1,439,578). As at September 30, 2024, the total working capital of the Company was \$3,360 (December 31, 2023: working capital deficiency of \$1,210,778).

For the nine-month period ended September 30, 2024, the Company incurred a net loss of \$1,055,855 (2023: \$1,284,644) and expects to incur further losses in the development of its business. The Company has been financed primarily through the issuance of equity instruments, the most recent being a non-brokered private placement that closed subsequent to period end and raised gross proceeds of \$2,281,850 (Note 15(i)). Management cannot be certain it will continue to be able to obtain such funding. All of these conditions may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management continues to investigate and pursue opportunities to raise financing for the Company.

2. REVERSE ASSET ACQUISITION

On January 15, 2024, the Company issued 53,238,763 common shares to the shareholders of Balkan Metals Corp. (“**Balkan Metals**”), a private company incorporated under the Business Corporations Act (British Columbia) on May 22, 2021 and holding a portfolio of exploration licenses in Serbia, some of which are contiguous to the Company’s existing Serbian exploration permits.

As a result of the Acquisition, the shareholders of Balkan Metals acquired 84.1% of the outstanding shares of the Company and Balkan Metals gained control of the Company’s Board of Directors. For accounting purposes, the Acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* since the Company’s activities prior to the Acquisition were limited to the management of cash resources and the maintenance of its listing and mineral property licenses and did not constitute a business. The Acquisition is accounted for consistent with IFRS 2 *Share-based Payment* (“**IFRS 2**”) whereby Balkan Metals is deemed to have issued shares in exchange for the net assets of the Company together with its listing status at the fair value of the consideration received by Balkan Metals. As a result, the acquisition is accounted for as a capital transaction, with Balkan Metals being identified as the accounting acquirer and the equity consideration being measured at fair value. The resulting condensed interim consolidated statement of financial position is presented as a continuance of Balkan Metals and comparative figures presented in the condensed interim consolidated financial statements after the acquisition are those of Balkan Metals.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. REVERSE ASSET ACQUISITION (continued)

IFRS 2 applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or service received in return. Because the value of the consideration made was less than the net assets received, there was no reverse acquisition transaction cost to be recognized in comprehensive loss.

The fair value of shares issued as part of the consideration is determined based on the percentage of ownership the Company's shareholders have in the combined entity after the Acquisition. This represents the fair value of the shares that Balkan Metals would have had to issue for the ratio of ownership interest in the combined entity to be the same if the transaction had taken the legal form of Balkan Metals acquiring 100% of the shares in the Company. The percentage of ownership the Company's shareholders had in the combined entity is 15.9%, represented by 10,074,301 shares, after the issue of 53,238,763 shares of the Company to Balkan Metals shareholders. Upon completion of the Acquisition, each outstanding stock option of the Company was retained with the same terms.

A fair value of \$16,961 was included in total consideration for 438,126 stock options that were retained upon the Acquisition. The fair value was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: a risk free interest rate of 3.3%; an expected option life of 6.61 years; expected stock price volatility of 108%; and expected dividend yield of 0%.

Based on the statement of financial position of the Company at the time of the Acquisition, the estimated fair value of the net assets that were acquired by Balkan Metals was \$1,024,391 as follows:

Consideration:

Fair value of shares issued	\$ 1,007,430
Fair value of replacement options	16,961
Total consideration	\$ 1,024,391

Identifiable net assets acquired:

Cash	13,702
Amounts receivable	161,181
Prepaid expenses and deposits	145
Sales tax recoverable	1,643
Long-term deposits	61,000
Property and equipment	2,458
Exploration and evaluation assets	1,520,257
Accounts payable and accrued liabilities	(457,699)
Due to related parties	(152,000)
Convertible debenture liability	(126,296)
Total net identifiable assets	\$ 1,024,391

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

2. REVERSE ASSET ACQUISITION (continued)

To complete the Acquisition, the following steps were also conducted on January 15, 2024:

- The Company completed a consolidation of the issued shares, warrants, stock options, and convertible debentures outstanding at January 15, 2024 on a one new for sixteen old basis. As a result, the Company's issued shares as at January 15, 2024 were reduced to 8,424,301. All references to common shares, warrants, stock options, convertible debentures, and per share amounts in these condensed interim consolidated financial statements have been updated to reflect the share consolidation.
- The Company settled \$330,000 in accounts payable by issuing 1,650,000 post-consolidation common shares of the Company at a deemed price of \$0.20 per share.
- Balkan Metals settled \$250,000 in accounts payable by issuing 1,666,667 common shares of Balkan Metals at a deemed price of \$0.15 per share.
- Balkan Metals completed a private placement consisting of the sale of 21,600,000 units at a price of \$0.10 per unit for gross proceeds of \$2,160,000, of which \$124,965 was received prior to December 31, 2023 and recorded as cash held in trust. Each unit consisted of one Balkan Metals share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.20 per share for a period of two years. Balkan Metals paid cash finders' fees totaling \$78,150 and issued 413,000 share purchase warrants having an exercise price of \$0.20 per share for a period of twelve months. As a result of the amalgamation, the holders of Balkan Metal common shares and share purchase warrants received pursuant to this financing were exchanged for common shares and share purchase warrants of the Company on a one for one basis.
- In consideration for the transfer to the Company of 100% of the issued shares of Balkan Metals, the Company issued an aggregate of 53,238,763 post-consolidation common shares to the shareholders of Balkan Metals, being one Company share for each Balkan Metals share.
- The name of the Company was changed to "Electrum Discovery Corp".

The Acquisition constituted a "reverse takeover" pursuant to the policies of the TSX Venture Exchange ("TSX-V").

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* under IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company, with the exception of adopting Balkan Metal’s accounting policy to capitalize exploration costs as part of exploration and evaluation assets. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim consolidated financial statements are presented in Canadian dollars.

The preparation of condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 5.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. A subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company’s principal subsidiaries as at September 30, 2024 are as follows:

Name	Place of incorporation	Ownership %	Principal activity
Electrum Discovery d.o.o.	Serbia	100%	Exploration company
Medgold Istrazivanja d.o.o.	Serbia	100%	Exploration company
MGold International Ltd.	Malta	100%	Holding company
Tlamino Mining Ltd.	Malta	100%	Holding company

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION (continued)

Foreign Currency Translation

The functional and presentation currency of the Company is the Canadian dollar. The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of the subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses on translation are included in profit and loss.

4. MATERIAL ACCOUNTING POLICY CHANGE

Exploration and Evaluation Assets

Prior to the Acquisition, the Company capitalized the acquisition cost of mineral properties and expensed all other exploration expenditures. Acquisition costs included the cash consideration paid and the fair value of common shares issued on acquisition, based on the date of issuance of the shares if the fair value of the mineral property was not reliably measurable.

Upon completion of the Acquisition, the Company adopted Balkan Metals' accounting policy of capitalizing mineral property acquisition costs and exploration expenditures. Accordingly, once a right to explore an area has been obtained, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for, and development of exploration and evaluation assets. Such costs include, but are not limited to, geological and geophysical studies, exploratory drilling, sampling, and maintaining property titles. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources. The aggregate costs, related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

In accordance with *IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors*, a change in accounting policy is to be applied retrospectively. However, with the Acquisition being a reverse asset acquisition and the resulting comparative information being presented in these condensed interim consolidated financial statements being that of Balkan Metals, there are no adjustments to the comparative balances.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- a) The determination of the Company's and its subsidiaries' functional currency is determined based on management's assessment of the currency of the primary economic environment in which the entities operate.
- b) 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.
- c) 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.

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications 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 exploration and evaluation assets.

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition and exploration costs that have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economics assessment/ studies, accessible facilities and existing permits.

- c) Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommissioning liabilities present.
- d) The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.
- e) Judgment is required in the assessment of whether an acquisition transaction is an asset acquisition or business combination and if the transaction constitutes a reverse takeover whereby there is a change in control. Judgment is also required for preliminary expenditures that are considered deferred acquisition costs towards an eventual asset acquisition and whether the deferred acquisition costs will be recoverable.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

The key estimates applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- a) The Acquisition is accounted for considering IFRS 2 whereby Balkan Metals is deemed to have issued shares in exchange for the net assets of the Company. As a result, the issuance of shares has been measured at the market value of Balkan Metals' closing financing, being the more reliable measure of fair value.
- b) Estimates were required in determining the fair value of net assets of the Company at the time of Acquisition.
- c) In estimating the fair value of share-based payments, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results.
- d) The Company may be subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business and on dispositions of mineral property or interests therein, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events, and interpretation of tax law. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

6. PROPERTY AND EQUIPMENT

	Furniture and equipment
Cost	
Balance, December 31, 2022 and 2023	\$ -
Recognition on reverse acquisition (Note 2)	2,458
Balance, September 30, 2024	\$ 2,458
Accumulated amortization	
Balance, December 31, 2022 and 2023	\$ -
Charge for the period	2,458
Balance, September 30, 2024	\$ 2,458
Carrying amounts	
At December 31, 2023	\$ -
At September 30, 2024	\$ -

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following exploration and evaluation asset acquisition and exploration costs of its Serbian mineral property interests during the periods ended September 30, 2024 and December 31, 2023:

	December 31, 2023	Additions	September 30, 2024
Timok East Project			
Acquisition costs	\$ 503,695	\$ -	\$ 503,695
Property holding fees and taxes	13,256	59,685	72,941
Assaying	-	53,882	53,882
Field work	267,230	148,956	416,186
43-101 report	33,490	-	33,490
Others	66,297	34,360	100,657
	883,968	296,883	1,180,851
Lece West Project			
Acquisition costs	88,932	-	88,932
Property holding fees and taxes	12,769	10,129	22,898
Field work	12,776	7,860	20,636
Others	4,231	2,069	6,300
	118,708	20,058	138,766
Novo Tlamino Project			
Acquisition costs	100,287	-	100,287
Recognition on reverse acquisition (Note 2)	-	1,520,257	1,520,257
Property fees, data acquisition and reporting	31,594	42,535	74,129
Assaying	-	2,067	2,067
Field work	-	31,330	31,330
Others	3,192	21,777	24,969
	135,073	1,617,966	1,753,039
Total exploration and evaluation assets	\$ 1,137,749	\$ 1,934,907	\$ 3,072,656

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

	December 31, 2022	Additions	December 31, 2023
Timok East Project			
Acquisition costs	\$ 388,208	\$ 115,487	\$ 503,695
Property holding fees and taxes	5,101	8,155	13,256
Field work	228,761	38,469	267,230
43-101 report	-	33,490	33,490
Others	23,939	42,358	66,297
	646,009	237,959	883,968
Lece West Project			
Acquisition costs	68,609	20,323	88,932
Property holding fees and taxes	6,357	6,412	12,769
Field work	12,776	-	12,776
Others	4,231	-	4,231
	91,973	26,735	118,708
Novo Tlamino Project			
Acquisition costs	51,775	48,512	100,287
Property fees, data acquisition and reporting	25,553	6,041	31,594
Others	3,192	-	3,192
	80,520	54,553	135,073
Total exploration and evaluation assets	\$ 818,502	\$ 319,247	\$ 1,137,749

Timok East Project

The Timok East Project is comprised of three mineral exploration permits, Luka and Makovište which are contiguous, and Bukova Glava, all of which the Company has a 100% interest in. During the 2023 fiscal year, the Company commissioned a Technical Report on the Timok East property in accordance with National Instrument 43-101, dated March 23, 2023.

Lece West Project

The Lece West Project is comprised of three mineral exploration permits, Satra, Zuta Bara, and Djake Sever, all of which the Company has a 100% interest in.

In May 2023, Balkan Metals and its Serbian subsidiary entered into a Letter of Agreement with Cobre Nuevo Exploration Pty Ltd. (“CNE”) defining the terms of a prospective farm-in joint venture (the “**FIJV Agreement**”) to explore for minerals. This agreement covered two permits of the Lece West Project: exploration licenses Zuta Bara and Djake Sever. Pursuant to the Letter of Agreement, CNE agreed to finance US\$75,000 of geophysics and US\$500,000 of drilling. Following this initial expenditure and contingent on results of the exploration, CNE and Balkan Metals would enter into a full farm-in, joint venture agreement, whereby CNE would spend US\$5.0 million to earn a 51% interest in the first phase followed by expenditures of US\$8.0 million to earn an additional 34% interest. Balkan Metals would then have had the option to convert its 15% interest into a 1% NSR.

During the period ended September 30, 2024, CNE decided not to proceed with the proposed exploration and consequently terminated the agreement.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Novo Tlamino Project

The Novo Tlamino Project is comprised of the previously titled Besna Kobilica and Medjani Project consisting of six mineral exploration permits, Radovnica, Ljubata, Crnostica, Brod, Medjani, and Sisevac, and one permit application for Kitka, and the formerly titled Tlamino Project consisting of two mineral exploration permits, Donje Tlamino and Surlica-Dukat, all of which the Company has a 100% interest in.

The Donje Tlamino and Surlica-Dukat properties are subject to a 1% net smelter return royalty (the “**Royalty**”) in favour of a third party. The Royalty may be purchased at any time by the Company for a cash consideration of \$3.0 million.

8. CONVERTIBLE DEBENTURE

In January 2023, the Company issued Balkan Metals a convertible debenture for a maximum principal sum of \$150,000 with a maturity date of January 27, 2025 and bearing interest at the rate of 5% per annum, compounded monthly and payable in arrears. Principal and accrued interest were to be converted into common shares of the Company in the event that the Acquisition (Note 2) was not completed, otherwise principal and accrued interest are to be settled with cash upon maturity. The debenture, if converted before the first anniversary, was convertible into a maximum of 187,500 common shares of the Company at the rate of \$0.80 per share and if converted after the first anniversary, convertible into a maximum of 93,750 common shares of the Company at the rate of \$1.60 per share.

In February 2023, the Company received a first tranche of \$75,000 in convertible debenture funding and in April 2023, the Company received a second and final tranche of \$48,534 for a total of \$123,534 in convertible debenture funding from Balkan Metals. As a result of the Acquisition being completed on January 15, 2024, the convertible debenture debt became an intercompany balance upon which all balances relating to convertible debenture liabilities and receivables on the condensed interim consolidated statement of financial position as of September 30, 2024 and interest income and accretion expense for the nine months ended September 30, 2024 were eliminated upon consolidation.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

As a result of the Acquisition, Balkan Metals became a direct, wholly owned subsidiary of the Company. The Acquisition was treated as an issuance of common shares by the continuing entity, Balkan Metals.

As at September 30, 2024, there is 63,313,064 common shares outstanding and issued share capital of \$5,100,742. The changes in issued share capital for the period from January 1, 2023 to September 30, 2024 are disclosed in the condensed interim consolidated statement of changes in equity and Note 2.

Nature of Equity Reserves

The reserves recorded in equity include Other Reserves and Accumulated Other Comprehensive Loss. Other Reserves is used to recognize the fair value of warrants issued and share-based payments such as stock options and deferred share units granted. Accumulated Other Comprehensive Loss is used to record the foreign exchange translation adjustments for subsidiaries that have a different functional currency than the Company.

Escrow Shares

As at September 30, 2024, there were 10,476,788 common shares relating to the Acquisition held in escrow (December 31, 2023: Nil).

Finders' Warrants

As at September 30, 2024, there were 536,217 (December 31, 2023: 223,670) finders' warrants outstanding and the fair value of the finders' warrants granted was estimated at the date of grant using Black-Scholes option pricing model with following assumptions:

Date of Issuance	January 16, 2023	January 18, 2023	April 23, 2023	July 12, 2023	October 12, 2023	January 15, 2024
Number of finder warrants	37,461	11,666	23,326	28,000	123,217	413,000
Dividend yield	0%	0%	0%	0%	0%	0%
Expected volatility	115%	115%	97%	150%	115%	107%
Risk-free interest rate	3.75%	3.75%	3.75%	3.75%	3.75%	4.71%
Forfeiture rate	0%	0%	0%	0%	0%	0%
Share price – on issuance	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.10
Exercise price	\$0.15	\$0.15	\$0.15	\$0.15	\$0.15	\$0.20
Term	12 months	12 months	1 year	1 year	1 year	1 year
Fair value per warrant	\$0.06	\$0.06	\$0.06	\$0.08	\$0.05	\$0.02
Fair value of warrants	\$3,273	\$777	\$1,338	\$2,331	\$6,231	\$9,447

During the period ended September 30, 2024, the Company recorded a fair value of \$9,447 for finders' warrants (2023: \$7,719).

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (continued)

Finders' Warrants (continued)

The following is a summary of finders' warrants transactions for the period from January 1, 2023 to September 30, 2024:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	390,016	\$0.10
Issued	223,670	\$0.15
Exercised	(79,100)	\$0.10
Expired	(310,916)	\$0.10
Balance, December 31, 2023	223,670	\$0.15
Issued	413,000	\$0.20
Expired	(100,453)	\$0.15
Balance, September 30, 2024	536,217	\$0.19

As at September 30, 2024, the following finders' warrants were outstanding:

Expiry date	Number of warrants	Exercise price
October 12, 2024	123,217	\$0.15
January 15, 2025	413,000	\$0.20
	536,217	

The weighted average remaining contractual life of the finders' warrants outstanding at September 30, 2024 is 0.23 years (December 31, 2023: 0.54).

Unit Warrants

The following is a summary of private placement unit warrants transactions for the period from January 1, 2023 to September 30, 2024:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022	-	-
Issued	4,628,730	\$0.20
Balance, December 31, 2023	4,628,730	\$0.20
Issued	21,600,000	\$0.20
Balance, September 30, 2024	26,228,730	\$0.20

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND RESERVES (continued)

Unit Warrants (continued)

As at September 30, 2024, the following private placement unit warrants were outstanding:

Expiry date	Number of warrants	Original exercise price first year	Original exercise price second year	Amended exercise price
January 16, 2025 ⁽¹⁾	1,035,158	\$0.25	\$0.30	\$0.20
January 18, 2025 ⁽¹⁾	166,667	\$0.25	\$0.30	\$0.20
April 24, 2025 ⁽¹⁾	833,333	\$0.25	\$0.30	\$0.20
July 12, 2025 ⁽¹⁾	833,333	\$0.25	\$0.30	\$0.20
October 12, 2025 ⁽¹⁾	1,760,239	\$0.25	\$0.30	\$0.20
January 15, 2026 ⁽²⁾	21,600,000	\$0.20	\$0.20	\$0.20
	26,228,730			

⁽¹⁾The exercise price of these warrants was amended to \$0.20 during the 2023 fiscal year.

⁽²⁾ If at any time following closing of the Acquisition the daily volume weighted average trading price of the Company's common shares on the TSXV is greater than \$0.50 per share for the preceding 10 consecutive trading days, the Company may accelerate the expiry date these warrants by written notice (which may be provided in a form of a news release) to the holders thereof and in such case, the warrants will expire on the 30th day after the date of such notice.

The fair value of the warrants granted above was estimated at \$Nil using the residual method.

The weighted average remaining contractual life of the private placement unit warrants outstanding at September 30, 2024 is 1.19 (December 31, 2023: 1.46) years.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS

Option Plan Details

The Company has in place a stock option plan (the "Plan"), which allows the Board of Directors to grant incentive stock options to the Company's officers, directors, employees, and consultants. The exercise price of stock options granted is determined by the Board of Directors at the time of the grant in accordance with the terms of the Plan and the policies of the TSX Venture Exchange ("TSX-V"). Options vest on the date of granting unless stated otherwise. Options granted to investor relations consultants vest in accordance with TSX-V policies. The options are for a maximum term of ten years.

The following is a summary of changes in options for the period ended September 30, 2024:

Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
			Granted	Exercised	Expired / forfeited		
February 23, 2024	\$2.40	5,000	-	-	(5,000)	-	-
June 18, 2024	\$1.76	31,250	-	-	(31,250)	-	-
June 28, 2026	\$2.40	3,750	-	-	(1,875)	1,875	1,875
February 19, 2029	\$0.20	-	75,000	-	-	75,000	18,750
March 18, 2029	\$0.20	-	3,898,785	-	-	3,898,785	1,949,392
March 1, 2031	\$1.60	403,126	-	-	(46,875)	356,251	356,251
		443,126	3,973,785	-	(85,000)	4,331,911	2,326,268
Weighted average exercise price		\$1.60	\$0.20	-	\$1.72	\$0.32	\$0.42

There were no options granted or exercised during the period ended September 30, 2023.

Fair Value of Options Issued During the Period

The weighted average fair value at grant date of options granted during the period ended September 30, 2024 was \$0.07 per option.

The weighted average remaining contractual life of the options outstanding at September 30, 2024 is 4.62 (December 31, 2023: 6.58) years.

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENTS (continued)

Fair Value of Options Issued During the Period (continued)

The model inputs for options granted during the period ended September 30, 2024 included:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
Feb 19, 2024	Feb 19, 2029	\$0.075	\$0.20	3.60%	5 years	117%	0%
Mar 18, 2024	Mar 18, 2029	\$0.090	\$0.20	3.58%	5 years	117%	0%

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions related to the granting of stock options and recognized as part of share-based compensation during the period ended September 30, 2024 were \$149,273 (2023: \$Nil).

Deferred Share Units

During the period ended September 30, 2024, a total of 480,000 deferred share units ("DSU's") were awarded to certain directors of the Company. The DSU's vest at the time of retirement, termination, or death.

The share price of the Company's common shares at the award date was \$0.09, of which the fair value of each DSU was based on. Total expenses arising from the awarding of the DSU's and recognized as part of share-based compensation during the period ended September 30, 2024 were \$43,200 (2023: \$Nil).

DSU's outstanding as of September 30, 2024 totaled 480,000 (December 31, 2023: Nil).

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

The Company had transactions during the periods ended September 30, 2024 and 2023 with related parties who consisted of directors, officers and the following company controlled by Dr. Elena Clarici, a Director and the Chief Executive Officer of the Company:

Related party	Nature of transactions
Commodity Energy Capital Limited ("CECL")	Administrative services

During the periods ended September 30, 2024 and 2023, the following related party transactions occurred in the normal course of operations:

- The CEO and director of the Company charged \$112,500 (2023: \$112,500) in management fees.
- General and administrative fees of \$9,957 (2023: \$9,536) were charged by Commodity Energy Capital Limited, a company where the Company's CEO is also the Director.
- The directors of the Company charged \$52,500 (2023: \$10,500) in director fees and a director of the Company charged \$6,000 (2023: \$Nil) in consulting fees.
- The General Manager and director of the wholly owned subsidiary charged \$2,023 (2023: \$6,619) in wages and salaries and during the period ended September 30, 2023, was issued 192,000 Milestone Shares with a deemed value of \$28,800, pursuant to a mineral property acquisition during the 2022 fiscal year.
- A total of \$153,250 in debt to directors of the company was settled with the issuance of 1,021,667 common shares of Balkan Metals concurrently with the Acquisition.
- As of September 30, 2024, the Company had \$33,644 (December 31, 2023: \$284,730) due to related parties. The balances due are unsecured, non-interest bearing and due on demand.

Key management compensation

The Company has identified certain of its directors and senior officers as its key management personnel. Included for the periods ended September 30, 2024 and 2023 at their exchange amounts are the following items paid or accrued to key management personnel and/or companies with common directors. These transactions are in the normal course of operations.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Management fees	\$ 37,500	\$ 37,500	\$ 112,500	\$ 112,500
Salaries and benefits	8,125	2,207	28,023	6,619
Value of stock option grants recorded as share-based payments	24,211	-	51,579	-
	\$ 69,836	\$ 39,707	\$ 192,102	\$ 119,119

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk.

In common with other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed interim consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies, and whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As at September 30, 2024, the Company is exposed to foreign currency risk and interest rate risk.

Foreign Currency Risk

The Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

As at	September 30, 2024		
	US Dollars (CAD equivalent)	British Pound Sterling (CAD equivalent)	Serbian Dinars (CAD equivalent)
Cash	\$ 4,390	\$ -	\$ 30,138
Accounts payable and accrued liabilities	(31,581)	(3,012)	(5,901)
Net exposure	\$ (27,191)	\$ (3,012)	\$ 24,237

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

a) Market Risk (continued)

Foreign Currency Risk (continued)

As at	December 31, 2023	
	US Dollars (CDN equivalent)	Serbian Dinars (CDN equivalent)
Cash	\$ 38,758	\$ 956
Accounts payable and accrued liabilities	(25,836)	(33,039)
Net exposure	\$ 12,922	\$ (32,083)

Based on the above net exposures at September 30, 2024, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in approximately a \$600 (December 31, 2023: \$1,900) increase or decrease in profit or loss, respectively.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As at September 30, 2024, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian and Serbian financial institutions. The Company considers this risk to be limited.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company's receivables consist of sales tax receivable from the governments of Canada and Serbia. The Company considers credit risk with respect to these amounts to be low.

c) 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's approach to managing liquidity risk is to seek additional capital resources when needed in an effort to have sufficient funds to meet its liabilities. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At September 30, 2024, the Company had cash of \$572,896 (December 31, 2023: \$52,815), current liabilities of \$703,443 (December 31, 2023: \$1,439,578) and working capital of \$3,360 (December 31, 2023: working capital deficiency of \$1,210,778). The Company's accounts payables and accrued liabilities and due to related party balances had contractual maturities of less than 45 days and were subject to normal trade terms. During the period ended September 30, 2024, certain accounts payables totaling \$752,553 were converted to long-term payables with payment due dates ranging from June 30, 2026 and January 31, 2027. A total of \$257,759 of the long-term debt was reclassified as a current liability as of September 30, 2024 upon debt settlement agreements entered into subsequent to the period end, with payment of this amount consisting of a combination of cash and common shares (Note 15(ii)).

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The condensed interim consolidated statements of financial position carrying amounts for cash, accounts payable and accrued liabilities, and due to related parties approximate fair values due to their short-term nature.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are categorized in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's financial assets measured at fair value on a recurring basis as of September 30, 2024 were calculated as follows:

	Balance at September 30, 2024	Level 1	Level 2	Level 3
Financial Asset:				
Cash	\$ 572,896	\$ 572,896	\$ -	\$ -

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity. There were no changes in the Company's capital management approach during the period ended September 30, 2024.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. The Company does not expect its capital resources as of September 30, 2024 to be sufficient to cover its corporate operating costs, potential future mineral property acquisitions, or exploration activities through the next twelve months. As such, the Company raised gross proceeds of \$2,281,850 by way of equity financing subsequent to the period end (Note 15(i)). The Company will continue to seek to raise additional capital in the future and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including potential property acquisitions and exploration activity.

Electrum Discovery Corp (formerly Medgold Resources Corp.)

(Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

14. SEGMENTED REPORTING

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company operates in a single reportable operating segment, being the exploration and evaluation of mineral properties. The mineral property interests and substantially all property and equipment are located in Serbia and substantially all of the exploration expenditures are incurred in Serbia. Substantially all of the Company's other assets and expenditures are located and incurred in Canada.

15. EVENTS AFTER THE REPORTING DATE

Subsequent to September 30, 2024, the following events which have not been disclosed elsewhere in these condensed interim consolidated financial statements have occurred:

- i) The Company completed a non-brokered private placement financing, consisting of two tranches, with a total issuance of 32,597,854 units at \$0.07 per unit, for gross proceeds of \$2,281,850, of which \$395,050 was received prior to September 30, 2024. Each unit consists of one common share and one warrant, each warrant entitling the holder to purchase one additional common share of the Company at \$0.15 for three years from date of issuance. In connection with this financing, the Company paid finder's fees totaling \$59,472 cash and issued a total of 849,599 warrants which have an exercise price of \$0.15 per share and term of two years.
- ii) The Company issued a total of 3,083,750 common shares with a deemed price of \$0.08 per share to settle a total of \$246,700 in debt.
- iii) A total of 3,610,000 stock options with an exercise price of \$0.13 per share, life of five years, and vesting over eighteen months were granted and 300,000 deferred share units awarded.
- iv) A total of 123,217 finders' warrants with an exercise price of \$0.15 per share expired unexercised.