

# **Gold Springs Resource Corp.**

*(An Exploration Stage Company)*

Condensed Interim Consolidated Financial Statements  
**Three and six months ended June 30, 2024 and 2023**

*(Unaudited - Expressed in U.S. dollars)*

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants Canada for a review of interim financial statements by an entity's auditor.

# Gold Springs Resource Corp.

(An Exploration Stage Company)

## Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in U.S. dollars)

	Note	June 30, 2024	December 31, 2023
		\$	\$
<b>Assets</b>			
<i>Current</i>			
Cash and cash equivalents		11,021	84,576
Receivables and prepaids	4	73,667	94,948
		84,688	179,524
<i>Non-current assets</i>			
Equipment		146,279	180,923
Reclamation deposit	5	593,983	593,983
Mining claims and deferred exploration costs	5	25,017,845	24,847,410
<b>Total Assets</b>		<b>25,842,795</b>	<b>25,801,840</b>
<b>Liabilities</b>			
<i>Current</i>			
Accounts payable, accrued and other liabilities	9	683,194	453,175
Redemption liability	6	113,880	113,880
		797,074	567,055
<i>Non-current liabilities</i>			
Loan payable	7	29,224	30,244
		826,298	597,299
<b>Equity attributable to shareholders</b>			
Share capital	8	101,336,222	101,166,258
Contributed surplus	8	14,217,462	14,241,972
Accumulated other comprehensive loss		(517,528)	(525,140)
Deficit		(90,019,659)	(89,678,549)
		25,016,497	25,204,541
<b>Total Liabilities and Shareholders' Equity</b>		<b>25,842,795</b>	<b>25,801,840</b>

Going concern (Note 1)

Contingencies and pledge (Note 10)

Approved by the Board of Directors:

(signed) "Tina Woodside-Shaw"

(signed) "Victor Dario"

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

# Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Earnings (Loss) and Comprehensive Income (Loss)

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

	Note	Three months ended June 30, 2024	June 30, 2023	Six months ended June 30, 2024	June 30, 2023
		\$	\$	\$	\$
<b>General and administrative expenses</b>					
Professional fees	9	25,472	34,494	69,873	80,474
Wage, benefits and management fees	9	30,536	33,837	61,426	72,559
Office and administration		49,184	35,900	76,931	57,257
Filing and transfer agent fees		17,204	17,680	33,984	49,555
Depreciation and amortization		17,308	17,407	34,644	34,902
Directors' fees	9	11,737	14,650	20,321	25,607
Shareholder information and investor relations		7,915	7,766	10,773	10,137
Share-based payments	8,9	20,079	(57,745)	32,643	(19,798)
Total general and administrative expenses		(179,435)	(103,989)	(340,595)	(310,693)
<b>Other expenses</b>					
Interest and other income		624	3,103	1,085	4,773
Foreign exchange gain (loss)		(1,139)	26,202	(1,600)	21,238
Total other income (expenses)		(515)	29,305	(515)	26,011
<b>Net loss for the period</b>		(179,950)	(74,684)	(341,110)	(284,682)
<b>Other comprehensive income (loss)</b>					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Currency translation differences		2,952	(31,282)	7,612	(26,538)
<b>Total other comprehensive income (loss) for the period</b>		2,952	(31,282)	7,612	(26,538)
<b>Total comprehensive loss for the period</b>		(176,998)	(105,966)	(333,498)	(311,220)
<b>Net loss per share:</b>					
<b>Basic and Diluted</b>		(0.00)	(0.00)	(0.00)	(0.00)
<b>Weighted average number of shares outstanding:</b>					
<b>Basic and Diluted</b>		281,380,158	261,586,797	281,380,158	261,608,717

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

# Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Changes in Equity

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

	Share Capital		Contributed Surplus	AOCL <sup>1</sup>	Deficit	Total
	Number	\$	\$	\$	\$	\$
<b>Balance, December 31, 2022</b>	<b>261,630,880</b>	<b>99,721,151</b>	<b>14,140,252</b>	<b>(482,741)</b>	<b>(89,036,532)</b>	<b>24,342,130</b>
Shares returned to treasury	(250,722)	(20,811)	20,811	-	-	-
Issue costs, Secured Rights warrants	-	-	14,017	-	-	14,017
Share-based payments	-	-	(17,994)	-	-	(17,994)
Total comprehensive loss	-	-	-	(26,538)	(284,682)	(311,220)
<b>Balance, June 30, 2023</b>	<b>261,380,158</b>	<b>99,700,340</b>	<b>14,157,086</b>	<b>(509,279)</b>	<b>(89,321,214)</b>	<b>24,026,933</b>
Shares issued on private placement	20,000,000	1,482,400	-	-	-	1,482,400
Less: issue costs - cash	-	(16,482)	-	-	-	(16,482)
Share-based payments	-	-	84,886	-	-	84,886
Total comprehensive loss	-	-	-	(15,861)	(357,335)	(373,196)
<b>Balance, December 31, 2023</b>	<b>281,380,158</b>	<b>101,166,258</b>	<b>14,241,972</b>	<b>(525,140)</b>	<b>(89,678,549)</b>	<b>25,204,541</b>
Shares issued on option exercise	1,633,334	169,964	(60,998)	-	-	108,966
Share-based payments	-	-	36,488	-	-	36,488
Total comprehensive income (loss)	-	-	-	7,612	(341,110)	(333,498)
<b>Balance, June 30, 2024</b>	<b>283,013,492</b>	<b>101,336,222</b>	<b>14,217,462</b>	<b>(517,528)</b>	<b>(90,019,659)</b>	<b>25,016,497</b>

<sup>1</sup> Accumulated other comprehensive loss

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

# Gold Springs Resource Corp.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

	June 30, 2024	June 30, 2023
	\$	\$
<b>Cash flows (used in) from operating activities</b>		
Net loss for the period	(341,110)	(284,682)
<i>Items not affecting cash</i>		
Depreciation and amortization	34,644	34,902
Share-based payments	32,643	(19,798)
Interest income	(1,085)	(4,773)
Unrealized foreign exchange	579	-
	(274,329)	(274,351)
 <i>Changes in non-cash operating working capital</i>		
Change in receivables and prepaids	21,281	66,354
Change in accounts payable and accrued liabilities	149,695	125,190
	(103,353)	(82,807)
 <b>Cash flows (used in) from investing activities</b>		
Mining claims and deferred exploration costs	(155,861)	(328,466)
Consideration received for Gold Springs Project Secured Rights	-	(32,527)
Reclamation deposit	-	(39,690)
Interest received	1,085	4,773
	(154,776)	(395,910)
 <b>Cash flows from financing activities</b>		
Receipt of advances	102,192	500,000
Exercise of options	82,816	-
Receipt of previously restricted cash	-	131,694
	185,008	631,694
 <b>Increase (decrease) in cash and cash equivalents</b>	(73,121)	152,977
Foreign exchange effect on cash and cash equivalents	(434)	(25,858)
<b>Cash and cash equivalents - Beginning of period</b>	84,576	278,023
<b>Cash and cash equivalents - End of period</b>	11,021	405,142

## Supplemental cash flow information (Note 12)

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

# Gold Springs Resource Corp.

*(An Exploration Stage Company)*

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

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*(Unaudited - Expressed in U.S. dollars)*

## 1 Nature of operations and going concern

Gold Springs Resource Corp. (“GRC” or the “Company”) was incorporated pursuant to the *Canada Business Corporations Act* by articles of incorporation dated September 28, 2006 and was continued under the *Business Corporations Act (British Columbia)* (“BCBCA”) on December 17, 2013. The Company is listed on the Toronto Stock Exchange (“TSX”) under the stock symbol GRC and on the OTCQB Venture Market (“OTCQB”) in the U.S. under the stock symbol GRCAF. The Company’s registered and head office is located at Suite 1100, 1199 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3T5. The Company’s principal activities include the acquisition, exploration and development of mineral properties. The principal country where the Company has been undertaking exploration activities is the United States. Property interests are held through wholly owned subsidiaries.

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 at least the next twelve months from June 30, 2024.

The Company has incurred losses since inception and expects to incur further losses in the development of its operations and at June 30, 2024, the Company had a working capital deficiency of \$712,386 (December 31, 2023 – \$387,531). At that date, the Company also had an accumulated deficit of \$90,019,659 which has been funded primarily by the issuance of equity.

The Company’s ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its general operating expenses and to continue to explore its mineral properties. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These factors give rise to material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern and, therefore, whether it may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 2 Basis of presentation

### Statement of compliance

The Company’s condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board, (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended December 31, 2023.

These financial statements were approved by the board of directors on August 9, 2024.

# Gold Springs Resource Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

## Basis of consolidation

The consolidated financial statements include the results or financial information of Gold Springs Resource Corp. and its significant wholly-owned subsidiaries listed in the following table:

<b>Name</b>	<b>Country of incorporation</b>
High Desert Gold Corporation	Canada
Gold Springs Resource Corp. (Delaware)	U.S.A.
Gold Springs LLC	U.S.A.

The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. All significant intercompany transactions and balances have been eliminated.

## Recent accounting pronouncements

In October 2022, IASB issued amendments to IAS 1, Presentation of Financial Statements. The amendments aim to clarify the criteria for classifying liabilities with covenants as current or non-current. Liabilities are required to be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective on or after January 1, 2024. These amendments to standards did not have a material impact on the financial statement amounts or disclosures.

In April 2024, IASB issued IFRS 18, Presentation and Disclosure in Financial Statements to replace IAS 1, Presentation of Financial Statements. The aim of IFRS 18 is to set out requirements for presentation and disclosure of financial statements to ensure the entity provides relevant and accurate information about its assets, liabilities, equity, income and expenses. IFRS 18 is effective on or after January 1, 2027.

## 3 Use of estimates, assumptions and judgments

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2023.

## 4 Receivables and prepaids

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
GST receivable	2,602	2,720
Other prepaids and advances	71,065	92,228
	<b>73,667</b>	<b>94,948</b>



# Gold Springs Resource Corp.

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(Unaudited - Expressed in U.S. dollars)

## 5 Mining claims and deferred exploration costs

Mining claims and deferred exploration costs are associated with the following projects:

	<b>Gold Springs</b>
	\$
<b>Balance, December 31, 2022</b>	<b>24,435,720</b>
Land and option payments	303,317
Laboratory	133,730
Field supplies	3,182
Camp	24,283
Geologists and personnel	134,355
Drilling	17,817
Environmental and permitting	8,450
Technical consulting	4,500
Travel and accommodation	27,149
Share-based payments	8,363
	665,146
Secured Rights consideration, net of transaction costs	(253,456)
<b>Balance, December 31, 2023</b>	<b>24,847,410</b>
Land and option payments	77,132
Laboratory	37,370
Field supplies	1,000
Camp	8,977
Geologists and personnel	27,641
Environmental and permitting	5,241
Travel and accommodation	9,229
Share-based payments	3,845
	170,435
<b>Balance, June 30, 2024</b>	<b>25,017,845</b>

### Gold Springs, USA

The Gold Springs mineral property was acquired through the 2013 acquisition of High Desert Gold Corporation (“HDG”). The Company owns 100% of the Gold Springs property free of royalties except as noted below.

During the year ended December 31, 2017 the Company increased the size of the Gold Springs property by entering into lease and surface use agreements. Pursuant to the agreements, the Company has entered into a 30 year lease beginning on October 25, 2017 for the mineral rights on certain patented mining claims and a 30 year surface use agreement on certain homestead lands (“Homestake property”) upon payment as follows: \$41,035 paid on execution of the agreement, \$40,000 on October 25, 2018 (paid), \$45,000 on October 25, 2019 (paid), \$50,000 on October 25, 2020 (paid) and \$55,000 on each anniversary until October 25, 2047 (current as of June 30, 2024).

# Gold Springs Resource Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

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## Royalties

The Company is currently subject to two royalties on two of its property interests. Of the current defined resources, less than 1% are subject to royalties. Upon commencement of commercial production on the Homestake property, the Company is to pay the lessor a 3% net smelter returns royalty (“NSR”). The Company has the right and option, prior to commencement of commercial production, to buy back 0.5% of the net smelter returns royalty for the sum of \$1,000,000, payable within 60 days from and after commencement of commercial production. In addition, the Company entered into a separate mineral lease agreement (no contractual payments outstanding) which requires the Company to pay the lessor of the properties a 3% NSR on any Leased Substances mined and marketed by the Company from the applicable property.

## Reclamation Deposit

As at June 30, 2024 the Company had \$593,983 (December 31, 2023 - \$593,983) of cash on direct deposit with Nevada and Utah land and environmental regulatory authorities for future remediation costs.

## **6 Restricted cash and redemption liability**

On November 4, 2019 the Class B shares of the Company were redeemed for \$0.09827 per Class B share for an aggregate redemption amount of \$11,436,186. As at June 30, 2024 there was \$nil (December 31, 2023 - \$nil) of redemption funds remaining held in trust with the Company’s Transfer Agent, and representing amounts not yet claimed for redemption by prior Class B shareholders. On May 9, 2023, the funds, previously held in trust with the Company’s Transfer Agent, were returned to the Company as the Company has assumed the redemption payment obligation for the remaining eligible unredeemed Class B shares. On June 15, 2023, 250,722 unexchanged common shares were cancelled and returned to treasury (Note 8). Included in the 250,722 were 180,727 unexchanged shares which carried an associated Class B redemption liability of \$17,814. Upon return to treasury of the 250,722 unexchanged shares, the associated Class B redemption liability was extinguished with a corresponding gain on extinguishment of \$17,814 being recognized in the consolidated statements of loss and comprehensive loss during the year ended December 31, 2023. At June 30, 2024, the remaining redemption liability was \$113,880 (December 31, 2023 - \$113,880).

## **7 Loan payable**

In May 2020, the Company received \$29,224 (Cdn \$40,000) in the form of a Canada Emergency Business Account (“CEBA”) loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic and can only be used to pay non-deferrable operating expenses. During the period from receipt of the CEBA loan to December 31, 2023 (previously December 31, 2022), the “Initial Term”, no interest was charged on the amount outstanding. An extension to the interest free period was announced by the Government of Canada to extend the Initial Term from December 31, 2022 to January 18, 2024 (the “Government Announcement”). The Company did not repay the CEBA loan as of January 18, 2024, and accordingly, from January 19, 2024 to December 31, 2026 (the “Extended Term”) interest is payable monthly at a rate of 5% per annum on the outstanding balance. The balance of the CEBA loan is fully repayable on or before the end of the Extended Term, if not repaid on or before the end of the Initial Term.

During the three and six months ended June 30, 2024, the Company recorded interest expense of \$334 and \$626 (2023 - \$nil and \$nil) on the CEBA loan.

# Gold Springs Resource Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

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*(Unaudited - Expressed in U.S. dollars)*

## 8 Share capital

### Authorized

An unlimited number of Class A Common shares (“Common shares”) without par value and up to 127,328,790 Class B shares without par value. The holders of the Common shares are entitled to one vote per share. The holders of the Common shares are entitled to dividends, when and if declared by the directors of the Company. No dividends have ever been declared or paid as at June 30, 2024.

No Class B shares are outstanding as at June 30, 2024 (December 31, 2023 – nil) (Note 6).

### Financings

During the six months ended June 30, 2024, a total of 1,333,334 stock options were exercised for gross proceeds of \$82,816. A value of \$43,836 was transferred from the contributed surplus to share capital as a result. A further 300,000 options with an exercise value of \$26,150 were exercised by the CEO of the Company with the cost of exercise being offset against accounts payable owed by the Company to the CEO. Upon exercise of these options \$17,162, representing the previously recognized grant date fair value of the options exercised, was transferred from contributed surplus to share capital.

During the year ended December 31, 2023, the Company closed a non-brokered private placement, issuing 20,000,000 Common shares at a price of Cdn \$0.10 per share with no commissions paid or warrants issued, raising gross proceeds of \$1,482,400 (Cdn \$2,000,000), comprised of cash proceeds of \$1,348,484 (Cdn \$1,819,240) and settling outstanding working capital advances and accounts payable of \$133,916 (Cdn \$180,760). The Company incurred share issuance costs of \$16,482.

On June 15, 2023, 250,722 unexchanged common shares (the “Subject Shares”) were cancelled and returned to treasury. A value of \$20,811 was transferred from share capital to contributed surplus as a result. The Subject Shares were to be issued pursuant to a plan of arrangement dated December 20, 2013 (the “Arrangement”) to certain shareholders of South American Silver Corp. and High Desert Gold Corporation (both predecessors of the Company) upon surrender of their shares held in such predecessor corporations on or prior to the sixth anniversary of the effective date of the Arrangement (the “Deadline”). Pursuant to the terms of the Arrangement, the Subject Shares were deemed to have been surrendered to the Corporation on December 20, 2019 as the shareholders entitled to the Subject Shares did not surrender their shares in the predecessor corporations by the Deadline.

### Stock options

The Company’s stock options outstanding as at June 30, 2024 and the changes for the six months then ended are as follows:

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in U.S. dollars)

	Number of options	Weighted average exercise price (per share) Cdn \$	Weighted average remaining life (years)
<b>Balance – December 31, 2023</b>	<b>13,974,166</b>	<b>0.14</b>	<b>1.72</b>
Granted <sup>1</sup>	6,125,000	0.075	
Exercised <sup>2</sup>	(1,633,334)	0.09	
Expired	(1,320,000)	0.12	
Forfeited <sup>3</sup>	(2,000,000)	0.08	
<b>Balance – June 30, 2024</b>	<b>15,145,832</b>	<b>0.13</b>	<b>1.83</b>
<b>Exercisable – June 30, 2024</b>	<b>8,140,278</b>	<b>0.17</b>	<b>1.06</b>

<sup>1</sup> Included in options granted during the period ended June 30, 2024 are (i) 2,000,000 options which vest subject to the Company's share price reaching target prices of \$0.25 by June 30, 2024 and \$0.50 by June 30, 2025; (ii) 1,000,000 options which vest subject to the Company closing the remaining \$6.7 million in Series A Secured Rights funding by December 31, 2024; (iii) 1,000,000 options which vest subject to the Company closing a total of \$20 million in Secured Rights funding by December 31, 2024 and (iv) 300,000 options which vest subject to the Company securing new funding, based on 100,000 options granted for each \$1 million raised, by December 31, 2024.

<sup>2</sup> 300,000 options were exercised for gross proceeds of \$26,150 to set off accounts payable. Upon exercise of the options \$17,162, representing the previously recognized grant date fair value of the options exercised, was transferred from contributed surplus to share capital.

<sup>3</sup> 2,000,000 options were forfeited at June 30, 2024 as the vesting conditions were not achieved. As a result, \$4,750 of previously recognized share-based compensation expense was reversed and credited against share-based compensation expense in the consolidated statements of earnings (loss).

During the three and six months ended June 30, 2024, the Company recorded share-based payments in respect of the vesting of previously granted stock options, of which \$20,079 and \$32,643, respectively, (2023 – recovery of \$57,745 and \$19,798, respectively,) was recorded as a charge to operations, and \$2,665 and \$3,845, respectively, was included in deferred exploration costs for the three and six months ended June 30, 2024 (2023 - \$1,532 and \$1,804, respectively).

The weighted average grant date fair value of 4,125,000 options, with no market conditions, granted during the six months ended June 30, 2024 was \$0.03 per option (2023 - \$0.03 per option). The fair value of each option grant during the six months ended June 30, 2024 was estimated at the time of the grant using the Black-Scholes option pricing model with assumptions for grants as follows:

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(Unaudited - Expressed in U.S. dollars)

	<b>2024</b>
Weighted average exercise price	Cdn. \$0.075
Weighted average grant date share price	Cdn. \$0.075
Risk-free interest rate	3.35%
Expected life	3 years
Expected volatility	72%
Dividend rate	0%

The weighted average grant date fair value of 2,000,000 options, with market conditions, granted during the six months ended June 30, 2024 was \$0.006 per share (2023 - \$0.004 per share). The fair value of each market condition option grant during the six months ended June 30, 2024 was estimated at the time of the grant using a Barrier option pricing model with assumptions for grants as follows:

	<b>2023</b>
Weighted average exercise price	Cdn. \$0.075
Weighted average grant date share price	Cdn. \$0.075
Risk-free interest rate	3.59%
Expected life	3 years
Expected volatility	103%
Barrier range	Cdn. \$0.25 - \$0.50
Dividend rate	0%

The balance of options outstanding as at June 30, 2024 is as follows:

<b>Expiry date</b>	<b>Exercise price Cdn\$</b>	<b>Number of options outstanding</b>	<b>Number of options exercisable</b>
July 12, 2024 <sup>1</sup>	0.175	833,333	833,333
July 27, 2024 <sup>1</sup>	0.165	225,000	225,000
May 3, 2025	0.195	4,250,000	4,250,000
July 6, 2025	0.165	1,383,333	1,383,333
August 17, 2026	0.085	2,829,166	840,278
June 17, 2027	0.075	5,625,000	608,334
		15,145,832	8,140,278

<sup>1</sup> Subsequent to June 30, 2024, these options expired unexercised.

All of the outstanding options have associated share appreciation rights which allow the optionees to exercise their options on a cashless basis resulting in a lesser number of common shares to be issued to the optionee pursuant to their exercise.

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in U.S. dollars)

## Warrants

The Company's warrants outstanding as at June 30, 2024 and the changes for the six months then ended are as follows:

	Number of warrants	Weighted average exercise price (per share) Cdn \$	Weighted average remaining life (years)
Balance – December 31, 2023	300,000	0.13	1.11
<b>Balance – June 30, 2024</b>	<b>300,000</b>	<b>0.13</b>	<b>0.61</b>

The balance of warrants outstanding as at June 30, 2024 is as follows:

Expiry Date	Exercise Price Cdn\$	Number of warrants outstanding
February 8, 2025	0.13	300,000

## 9 Related party transactions

Key management includes all the Officers and Directors of the Company. The compensation paid or payable to key management for services during the three and six months ended June 30, 2024 and 2023 is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Directors' fees	11,745	14,850	20,295	25,800
Professional fees	38,490	42,414	76,989	88,831
Wages and benefits	21,300	-	21,300	46,250
Share-based payments (recoveries)	23,923	(57,745)	36,487	(15,777)
	95,458	(481)	155,071	145,104

The Company's related parties consist of the Company's officers or companies associated with them, including (i) Gowling WLG (Canada) LLP which is a legal firm in which Tina Woodside-Shaw, the Chair and a director of the Company, is a partner, (ii) Malaspina Consultants Inc. ("Malaspina"), a consulting company in which Killian Ruby, the CFO of the Company, is President & CEO, and (iii) Direct Consulting Solutions SA ("Direct"), a consulting company in which Antonio Canton, the President & CEO and a director of the Company, is the President & CEO. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at the exchange amounts agreed to by the Company and the related parties.

In addition to the related party transactions disclosed in Note 8, the Company incurred the following additional expenditures with related parties during the three and six months ended June 30, 2024 and 2023. All transactions with related parties have occurred in the normal course of the Company's operations and have been measured at the exchange amounts agreed to by the Company and the related parties:

# Gold Springs Resource Corp.

(An Exploration Stage Company)

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Deferred financing fees	9,976	-	10,554	-
Financing fees	-	-	-	5,006
Professional fees	16,331	25,203	45,715	60,007
	26,307	25,203	56,269	65,013

Included in accounts payable and accrued liabilities at June 30, 2024 is an amount of \$302,948 (December 31, 2023 - \$188,030) due to related parties. These amounts are non-interest bearing and have no specific terms of repayment.

## 10 Contingencies and Pledge

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the consolidated financial condition or future results of the Company.

### Resource Expansion Financing Program

Under the terms of the Resource Expansion Program, the Company has given certain warranties and covenants to the Series A Secured Rights Investors, including a guarantee for its obligations under the funding agreement, and it has pledged 25% (December 31, 2023 – 25%) of the issued and outstanding shares of its U.S subsidiary corporation that beneficially owns the Gold Springs Project (the “Gold Spring Subsidiary”).

Under the terms of the Resource Expansion Financing Program, if the Company is subject to a successful hostile take-over bid the Series A Secured Rights Investors are entitled to receive a cash payment equal to 5 times their amount invested and if the Company fails to comply with general obligations of the Resource Expansion Program, the Investors are entitled to a similar payment.

## 11 Segment information

The Company’s operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company’s assets and liabilities as at June 30, 2024 and December 31, 2023 is as follows:

	June 30, 2024	December 31, 2023
<b>Identifiable assets</b>	\$	\$
Canada	75,694	135,785
United States	25,767,101	25,666,055
Total assets	25,842,795	25,801,840

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For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

<b>Identifiable liabilities</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	\$	\$
Canada	647,732	445,476
United States	178,566	151,823
<b>Total liabilities</b>	<b>826,298</b>	<b>597,299</b>

Geographic segmentation of the Company's net earnings (loss) for the three and six months ended June 30, 2024 and 2023 is as follows:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	\$	\$	\$	\$
Canada	(124,101)	(52,075)	(265,069)	(240,117)
United States	(55,849)	(22,609)	(76,041)	(44,565)
<b>Net loss</b>	<b>(179,950)</b>	<b>(74,684)</b>	<b>(341,110)</b>	<b>(284,682)</b>

## 12 Supplemental cash flow information

The Company conducted non-cash activities during the six months ended June 30, 2024 and 2023 as follows:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	\$	\$
Investing activities		
Deferred exploration costs included in accounts payable	124,569	540,064
Deferred exploration costs included in accounts payable as at December 31, 2023 and 2022 respectively	(113,840)	(631,055)
Issue costs, capitalized to deferred exploration costs	-	46,544
Financing activities		
Exercise of options to offset accounts payable	26,150	-
Amounts transferred from contributed surplus to share capital on option exercise	(43,836)	-
Issue costs, Secured Rights Warrants	-	14,017
Share-based payments included in deferred exploration costs	3,845	1,804



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For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in U.S. dollars)

Other cash flow information relating to operating activities is presented below:

	June 30, 2024	June 30, 2023
	\$	\$
Cash paid for interest	(626)	-
Cash received for interest	1,085	4,773
Cash paid for taxes	-	-

Cash and cash equivalents as at June 30, 2024 and 2023 was comprised solely of cash.

## 13 Financial instruments

The Company's financial instruments as at June 30, 2024 consist of cash and cash equivalents, receivables, reclamation deposits, accounts payable, redemption liabilities, and loan payable which are all classified as amortized cost.

### Fair Value of Financial Instruments

The Company classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

The Company's activities expose it to a variety of financial risks: market risk (including, primarily, currency risk and interest rate risk), credit risk and liquidity risk. There have been no changes in any risk management policies since December 31, 2023.

At June 30, 2024 the Company's primary exposure to financial instrument risk is from exposure to currency exchange rate risks to the extent of its activities in the U.S. and/or in currencies which are not the functional currency of the economic environment in which the Company or its subsidiaries operate. Based on this exposure as at June 30, 2024 a 5% change in exchange rates could give rise to a change in the net foreign exchange impacts by approximately \$10,000 (December 31, 2023 - \$5,000), which is primarily driven by the parent Company's USD and EUR accounts payable and accrued liabilities balance of \$104,842 and \$98,994 (EUR 92,432), respectively, at June 30, 2024 (December 31, 2023 – \$83,138 and \$49,866 (EUR 45,091), respectively), because the parent Company has a Canadian Dollar functional currency. The Company does not use derivative financial instruments to manage its foreign exchange exposure.