



WINSHEAR GOLD

VALUE DISCOVERY

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended December 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
 (Unaudited - Expressed in Canadian Dollars)

As at

	Note	December 31, 2023	March 31, 2023
ASSETS			
Current			
Cash	5	\$ 3,209,282	\$ 137,046
Receivables and prepaids	6	110,580	85,716
Investments	7	6,000	13,500
Total Assets		<u>\$ 3,325,862</u>	<u>\$ 236,262</u>
LIABILITIES			
Current			
Trade and other payables	5, 11	\$ 179,702	\$ 186,880
Total Liabilities		<u>179,702</u>	<u>186,880</u>
SHAREHOLDERS' EQUITY			
Share capital	10	30,018,538	50,361,329
Reserves	10	11,743,110	12,182,327
Deficit		(38,615,488)	(62,494,274)
Total Shareholders' Equity		<u>3,146,160</u>	<u>49,382</u>
Total Liabilities and Shareholders' Equity		<u>\$ 3,325,862</u>	<u>\$ 236,262</u>

Nature of operations and going concern (Note 1)

Commitments and contingencies (Notes 8 and Note 11)

Approved on behalf of the Board:

"Richard Williams"

Richard Williams

"Andrew Thomson"

Andrew Thomson

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
 (Unaudited - Expressed in Canadian Dollars)

	Note	For the 3 months ended Dec. 31, 2023	For the 3 months ended Dec. 31, 2022	For the 9 months ended Dec. 31, 2023	For the 9 months ended Dec. 31, 2022
_OPERATING INCOME (EXPENSES)					
Exploration	8	\$ (69,066)	\$ (95,329)	\$ (304,251)	\$ (394,989)
Filing and transfer agent fees		(28,502)	(3,638)	(36,117)	(12,796)
Foreign exchange gain (loss)		130,019	(2,552)	127,892	(664)
Interest income		119,216	-	119,216	-
General and administration		(32,115)	(21,015)	(58,006)	(61,089)
Marketing		(18,835)	(7,252)	(25,705)	(30,622)
Professional fees		(763,141)	(30,249)	(865,001)	(76,879)
Provision for VAT receivable		(1,956)	(5,914)	(5,714)	(15,589)
Salaries and consulting		(280,511)	(37,099)	(309,922)	(112,805)
Share-based payment	10	(646)	(18,168)	(12,190)	(33,673)
		(945,537)	(221,216)	(1,369,798)	(739,106)
_OTHER INCOME					
Gain (loss) on investments	7	-	3,000	(7,500)	(15,000)
Gain on settlement	9	25,256,084	-	25,256,084	-
Net and comprehensive income (loss) for the period		\$ 24,310,547	\$ (218,216)	\$ 23,878,786	\$ (754,106)
Basic income (loss) per common share		\$ 0.83	\$ (0.01)	\$ 0.89	\$ (0.03)
Basic weighted average number of common shares outstanding		29,133,785	24,146,773	26,855,761	22,291,554
Diluted income (loss) per common share		\$ 0.81	\$ (0.01)	\$ 0.85	\$ (0.03)
Diluted weighted average number of common shares outstanding		29,909,897	24,146,773	27,963,601	22,291,554

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 (Unaudited - Expressed in Canadian Dollars)

SHARE CAPITAL					
	Number	Amount	Reserves	Deficit	Total
At March 31, 2022	20,528,439	\$ 49,827,543	\$ 12,046,136	\$ (61,520,517)	\$ 353,162
Private placement	3,618,333	562,975	88,325	-	651,300
Share issue costs	-	(34,596)	-	-	(34,596)
Warrant exercise	16,667	5,407	(407)	-	5,000
Share-based payment	-	-	48,273	-	48,273
Loss for the year	-	-	-	(973,757)	(973,757)
At March 31, 2023	24,163,439	\$ 50,361,329	\$ 12,182,327	\$ (62,494,274)	\$ 49,382
Private placement	1,950,000	468,943	116,057	-	585,000
Share issue costs	-	(40,449)	-	-	(40,449)
Warrant exercises	4,018,500	2,065,386	(338,286)	-	1,727,100
Option exercises	1,286,693	694,178	(229,178)	-	465,000
Return of capital	-	(23,530,849)	-	-	(23,530,849)
Share-based payment	-	-	12,190	-	12,190
Income for the period	-	-	-	23,878,786	23,878,786
At December 31, 2023	31,418,632	\$ 30,018,538	\$ 11,743,110	\$ (38,615,488)	\$ 3,146,160

Share Capital (Note 10)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
 (Unaudited - Expressed in Canadian Dollars)

	Note	For the 3 months ended Dec. 31, 2023	For the 3 months ended Dec. 31, 2022	For the 9 months ended Dec. 31, 2023	For the 9 months ended Dec. 31, 2022
.OPERATING ACTIVITIES					
Income (loss) for the period		\$ 24,310,547	\$ (218,216)	\$ 23,878,786	\$ (754,106)
Items not involving cash:					
(Gain) loss on investments	7	-	(3,000)	7,500	15,000
Share based payment	10	646	18,168	12,190	33,673
Changes in non-cash working capital items:					
Receivables and prepaids		(31,437)	(9,552)	(24,868)	31,902
Trade and other payables		87,277	(25,014)	(7,174)	4,214
Cash flows from operating activities		<u>24,367,033</u>	<u>(237,614)</u>	<u>23,866,434</u>	<u>(669,317)</u>
.FINANCING ACTIVITIES					
Proceeds from private placement issuance	10	-	-	585,000	651,300
Proceeds from warrant exercises	10	1,667,100	-	1,727,100	-
Proceeds from option exercises	10	465,000	-	465,000	-
Share issuance costs		-	(20,553)	(40,449)	(34,596)
Return of capital	10	(23,530,849)	-	(23,530,849)	-
Cash flows from financing activities		<u>(21,398,749)</u>	<u>(20,553)</u>	<u>(20,794,198)</u>	<u>616,704</u>
Change in cash during the period		2,968,284	(258,167)	3,072,236	(52,613)
Cash—beginning of period		240,998	521,004	137,046	315,450
Cash—end of period		<u>\$ 3,209,282</u>	<u>\$ 262,837</u>	<u>\$ 3,209,282</u>	<u>\$ 262,837</u>

01 NATURE OF OPERATIONS AND GOING CONCERN

Winshear Gold Corp. (the “Company”) was incorporated on November 8, 1998 under the laws of the British Columbia Business Corporations Act. The Company is listed on the TSXV Venture Exchange (the “TSXV”) under the symbol “WINS-V”. The Company’s head office is at 960-789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

The Company’s principal business activities include the acquisition and exploration of mineral exploration assets in Peru. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These unaudited condensed consolidated interim financial statements (the “Financial Statements”) have been prepared assuming the Company will continue on a going-concern basis. Prior to the three months ended December 31, 2023, the Company has incurred losses since its inception. During the three months ended December 31, 2023, the Company received a settlement from the Government of Tanzania (Note 9), recognized a one-time gain in the Financial Statements, and distributed the majority of the cash from the settlement to the Company’s shareholders as a return of capital (Note 10). The ability of the Company to continue as a going-concern depends upon its ability to continue to raise adequate financing and to develop profitable operations. These Financial Statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. Loss of title to a material mineral property interest could be a significant impediment to the Company.

The continuance of the Company’s operations is dependent on obtaining sufficient additional financing to realize recoverability of the Company’s investments in its mineral exploration properties, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors metal commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur. As a result of limited working capital of \$3,146,160 as of December 31, 2023 (March 31, 2023 - \$49,382) and continuing operating losses, there are material uncertainties which exist that cast significant doubt on the Company’s ability to continue as a going concern.

02 BASIS OF PREPARATION

Statement of Compliance

These Financial Statements have been prepared in accordance with International Accounting Standards (“IAS”) 1, “Presentation of Financial Statements” and utilize accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), applicable to the preparation of interim financial statements including International Accounting Standard 24 – Interim Financial Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance

with IFRS as issued by the IASB have been condensed or omitted. These Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2023.

Approval of The Financial Statements

These Financial Statements were authorized for issue by the Board of Directors of the Company on February 27, 2024.

Basis of Presentation

These Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

Effective February 13, 2024, the Company completed a share consolidation on the basis of 3 pre-consolidation common shares for 1 post-consolidation common shares. All share amounts presented have been retroactively adjusted to reflect this consolidation.

Functional and Presentation Currency

These Financial Statements are presented in Canadian dollars unless otherwise noted, which is the functional currency of the parent and its subsidiaries.

Basis of Consolidation

These Financial Statements of the Company include the accounts of the Company and its wholly owned subsidiaries, BAFEX Holdings Ltd., BAFEX Tanzania Limited and Winshear de Peru SAC, the principal activity of which is mineral exploration. Subsidiaries are fully consolidated from the date the Company obtains control and continue to be consolidated until the date that control ceases. Control is achieved when the Company is exposed to or has the right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All inter-company transactions and balances have been eliminated upon consolidation.

03 NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

ADOPTED APRIL 1, 2023

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact on the Company and have been excluded.

IAS 8 - In February 2021, the IASB issued Definition of Accounting Estimates to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

IFRS 10 - Consolidated Financial Statements (“IFRS 10”) and IAS 28 - Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet determined, however early adoption is permitted. The Company elected to early adopt this policy change effective April 1, 2023.

FOR ACCOUNTING PERIODS SUBSEQUENT TO PERIOD-END

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact on the Company and have been excluded.

IAS 1 - In February 2021, the IASB issued ‘Disclosure of Accounting Policies’ with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2024.

Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

04 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the Financial Statements are described below:

Estimates

VALUATION OF INVESTMENTS

The Company holds marketable securities of a public company that, at times, experiences low trading volumes, and may be subject to periods where its securities are halted from trading, particularly in advance of completing a significant transaction. As such, the last traded price, which is typically used to determine the fair value of

publicly traded marketable securities, may not be an accurate measure of the recoverable value of the underlying securities.

WARRANTS

The Company determined the fair value of warrants when issued using the BSM. Expected volatility is determined using historical share prices of the Company.

SHARE-BASED COMPENSATION

The Company issued stock options that vest over time. In consideration of IFRS 2, the Company determines the fair value at issuance and will recognize amounts over the vesting period to equity and share-based compensation based on the share value at the time of issuance. Expected volatility is determined using historical share prices of the Company.

RECOVERABILITY AND MEASUREMENT OF DEFERRED TAX ASSETS

The Company holds losses carried forward and other amounts that may be deducted from future taxable income. Since the Company does not consider it more likely than not that it will have taxable net income in the near future, the deferred tax assets have not been recognized.

PROVISION FOR CLOSURE AND RECLAMATION

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time the environmental disturbance occurs. The Company currently does not have any significant legal or constructive obligations relating to the reclamation or closure of its exploration and evaluation property interests, therefore no closure and reclamation liabilities have been recorded as of December 31, 2023 and March 31, 2023.

INCOME TAXES

Certain tax positions are subject to uncertainties which exist with respect to the interpretation of tax regulations, including the treatment of the net settlement proceeds on account of capital. The calculation of the Company's taxable income necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments have been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the taxable income, and the income tax expense in future periods.

Judgments

DETERMINATION OF FUNCTIONAL CURRENCY

The Company determines the functional currency through an analysis of several indicators of autonomy such as financing activities, expenses and cash flow, retention of operating cash flows, and frequency of transactions with the reporting entity.

GOING CONCERN

In assessing its ability to continue as a going concern for the next twelve months, the Company estimates future cash outflows based off prevailing market prices for goods and services, foreign exchange rates, and number of days to complete field programs with weather constraints.

05 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Fair Value Hierarchy**

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

Level 1: Unadjusted quote prices in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

Level 3: Inputs that are not based on observable market data

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables, investments, and trade and other payables. The fair value of investments is measured on the statement of financial position using Level 1 of the fair value hierarchy. The fair value of cash, receivables and trade and other payables approximate their book values due to the short-term nature of these instruments.

Financial Risk Factors

The Company is exposed to a variety of financial risks by virtue of its activities including credit, liquidity, interest rate, foreign currency, and price risk.

CREDIT RISK

The Company is exposed to industry credit risks arising from its cash and receivables. The Company manages credit risk by holding the majority of its cash with major Canadian financial institutions. The Company's receivables are due from the Federal Government of Canada and Peru. Management believes that credit risk related to these amounts is nominal.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements on an ongoing basis and assess available and required sources of additional capital and financing. As of December 31, 2023, the Company has working capital of \$3,146,160 (March 31, 2023 - \$49,382), indicating a high liquidity risk. See also Note 1: Going Concern.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 10% change in interest rates would result in a nominal difference for the three and nine months ended December 31, 2023.

FOREIGN CURRENCY RISK

The Company is exposed to foreign currency risk on fluctuations related to cash and trade and other payables that are denominated in United States Dollars. Amounts subject to currency risk are primarily cash and receivables denominated in foreign currencies, which are partially offset by the trade and other payables denominated in that foreign currency.

The following financial assets and liabilities are denominated in foreign currencies:

	Stated currency	December 31, 2023	March 31, 2023
Cash	U.S. Dollars	\$ 2,203,114	\$ 13,308
Accounts payable	U.S. Dollars	(14,825)	(34,626)
Net in foreign currency	U.S. Dollars	\$ 2,188,289	\$ (27,547)
Impact of 10% change in foreign exchange rate	Canadian Dollars	\$ 289,423	\$ 3,728

PRICE RISK

The Company has exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings or valuation of its investments due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors the price of precious metals.

06 RECEIVABLES AND PREPAIDS

	December 31, 2023	March 31, 2023
Prepaid expenses	\$ 91,399	\$ 77,239
Sales tax receivable - Canada	18,633	8,329
Sales tax receivable - Peru	548	148
Total	\$ 110,580	\$ 85,716

07 INVESTMENTS

Damara Gold Corp.	Number of shares	Fair value
As of March 31, 2022	300,000	\$ 27,000
Fair value adjustment	-	(13,500)
As of March 31, 2023	300,000	13,500
Fair value adjustment	-	(7,500)
As of December 31, 2023	300,000	\$ 6,000

08 EXPLORATION COSTS

Expenditures

Details of the Company's exploration and evaluation expenditures are as follows:

	Peru: Gaban	Peru: Yang	Peru: ICA	For the three months ended Dec. 31, 2023
Salaries & wages	\$ 9,657	\$ -	\$ -	\$ 9,657
Transportation & travel	9,671	-	-	9,671
Exploration office expenses	42,880	3,429	3,429	49,738
Total	\$ 62,208	\$ 3,429	\$ 3,429	\$ 69,066

	Peru: Gaban	Peru: Yang	Peru: ICA	For the three months ended Dec. 31, 2022
Field expenses & consumables	\$ 13,064	\$ 10,826	\$ -	\$ 23,890
Geochemical analysis	815	-	-	815
Salaries & wages	10,061	-	-	10,061
Transportation & travel	1,023	-	-	1,023
Exploration office expenses	58,036	752	752	59,540
Total	\$ 82,999	\$ 11,578	\$ 752	\$ 95,329

	Peru: Gaban	Peru: Yang	Peru: ICA	For the nine months ended Dec. 31, 2023
Field expenses & consumables	\$ 8,770	\$ -	\$ -	\$ 8,770
License fees	83,948	6,446	10,059	100,453
Royalties	16,929	16,929	33,858	67,716
Salaries & wages	11,276	-	-	11,276
Transportation & travel	13,646	-	-	13,646
Exploration office expenses	82,304	10,043	10,043	102,390
Total	\$ 216,873	\$ 33,418	\$ 53,960	\$ 304,251

	Peru: Gaban	Peru: Yang & ICA	Peru: ICA	For the nine months ended Dec. 31, 2022
Field expenses & consumables	\$ 37,175	\$ 16,134	\$ -	\$ 53,309
Geochemical analysis	12,108	-	-	12,108
License fees	82,555	3,048	6,702	92,305
Royalties	16,171	16,171	32,343	64,685
Salaries & wages	43,571	-	-	43,571
Transportation & travel	14,537	-	-	14,537
Exploration office expenses	93,636	10,419	10,419	114,474
Total	\$ 299,753	\$ 45,772	\$ 49,464	\$ 394,989

Property Agreements

PERU

On September 19, 2019, the Company acquired the Gaban Gold project and the Tinka Iron Oxide Copper Gold project (later renamed to the ICA iron-oxide-copper-gold project), both located in Peru, from Palamina Corp. (“Palamina”). In exchange, the Company issued 5,000,000 common shares during the year ended March 31, 2020, and 5,000,000 common shares during the year ended March 31, 2021. The Company paid four annual advance royalty payments to Palamina, \$25,000 USD each on September 19, 2020 and September 19, 2021 and \$50,000 USD each on August 25, 2022 and August 21, 2023. The payment amounts double every two years until the Company has completed 5,000 metres of drilling or has abandoned the properties.

Palamina retains a 2% net smelter return royalty (“NSR”) on each property. The Company has the right to purchase 50% of each royalty by making a cash payment of USD\$1,000,000 to Palamina at any time prior to the commencement of commercial production.

09 SETTLEMENT WITH TANZANIA

Prior to 2017, The Company had earned a 100% interest in the Saza, Illunga, Gap and Kwaheri Retention Licenses, all within the Lupa Goldfields in southwest Tanzania. The Tanzanian government has since expropriated all four of the Retention Licenses. Consequently, on July 14, 2020, Winshear initiated international arbitration proceedings with ICSID (The International Centre for Settlement of Investment Disputes), a part of the World Bank group, in accordance with the 2013 Agreement for the Promotion and Reciprocal Protection of Investments between Canada and Tanzania.

On December 7, 2020, the Company entered into a Litigation Funding Agreement with an affiliate of Delta Capital Partners Management, LLC, a United States-based global private equity and advisory firm specializing in litigation and legal financing (“Delta”). Under the agreement, the Company will draw funds from a financing facility to a maximum of US\$3.3 million for all fees and expenses relating to the pursuit of certain claims against the Government of Tanzania. In exchange, Delta is entitled only to a portion of any proceeds awarded to the Company.

On July 15, 2021, the Company filed its memorial with ICSID outlining the nature and quantum of its claims against the Government of Tanzania for the expropriation of the Company’s retention licenses. The arbitration proceedings between the Company and the government of Tanzania were held February 2023 at the ICSID.

During the three months ended December 31, 2023, the Company agreed with the Government of Tanzania to settle the case and terminate the arbitration proceedings for \$30 million U.S. dollars (\$41,055,000). After payment to Delta and remaining legal costs of \$11,544,695 U.S. dollars (\$15,798,915), the net amount paid to the Company was \$18,455,305 U.S. dollars (\$25,256,084). The Company recognized a gain on settlement of \$25,256,084 in the Statement of Income (Loss). The Company has estimated no tax liability on this gain on settlement as the Company has sufficient non-capital losses available to offset the gain. Tax attributes are subject to review and potential adjustment by tax authorities.

10 SHARE CAPITAL AND RESERVES

Authorized Share Capital

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

Share Consolidation

Effective February 13, 2024, the Company completed a share consolidation on the basis of 3 pre-consolidation common shares for 1 post-consolidation common shares. All share amounts presented have been retroactively adjusted to reflect this consolidation.

Issued Share Capital

YEAR END MARCH 31, 2023 TRANSACTIONS

On August 19, 2022, the Company issued 3,618,333 units at a price of \$0.18 per unit for gross proceeds of \$651,300 under a private placement financing. Each unit comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of \$0.30 and expires August 19, 2024. The value attributed to the warrants was \$88,325. Related parties consisting of officers, directors, and Palamina subscribed for 783,333 units for gross proceeds of \$141,000.

NINE MONTHS ENDED DECEMBER 31, 2023 TRANSACTIONS

- a) On May 9, 2023, the Company issued 1,950,000 units at a price of \$0.30 per unit for gross proceeds of \$585,000 under a private placement financing. Each unit comprised of one common share and half a warrant. Each full warrant is convertible into one common share at an exercise price of \$0.45 and expires May 9, 2025. The value

attributed to the warrants was \$116,057. Related parties consisting of officers and directors subscribed for 66,667 units for gross proceeds of \$20,000.

- b) On October 26, 2023, the Company announced a shareholder return of capital distribution of \$0.75 per share for shareholders of record on November 23, 2023 and a payment date of December 8, 2023. Based off the total number of common shares outstanding as of November 23, 2023, the distribution payment was \$23,530,849.

Share Purchase Warrants

The value of warrants issued were determined using the Black-Scholes Model (“BSM”) with the following assumptions:

	Fair Value at Date of Grant \$	Grant Date Share Price \$	Exercise Price \$	Expected Volatility	Risk-Free Interest Rate	Expected dividend rate	Expected Life (years)
August 19, 2022	88,325	0.15	0.30	90%	3.09%	0%	2
May 9 ,2023	116,057	0.30	0.45	90%	3.72%	0%	2

A summary of the Company’s warrants and the changes during the period are as follows:

	Number of warrants	Shares to be issued upon exercise of the warrants	Weighted-average exercise price (\$)
Balance – March 31, 2022	3,089,333	3,089,333	0.56
Issued	1,809,167	1,809,167	0.30
Exercised	(16,667)	(16,667)	0.30
Expired	(1,833,333)	(1,833,333)	0.54
Balance – March 31, 2023	3,048,500	3,048,500	0.42
Issued	975,000	975,000	0.45
Exercised	(4,018,500)	(4,018,500)	0.43
Balance – December 31, 2023	5,000	5,000	0.60

A summary of the Company’s warrants as of December 31, 2023 is as follows:

Number of warrants	Exercise price \$	Expiry Date
5,000	0.60	December 1, 2024

Stock Options

The Company has adopted a stock option plan (the “Stock Option Plan”). The Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vesting conditions to be determined by the Company’s board of directors. The maximum expiry date is ten years from the grant date. The Stock Option Plan permits the issuance of stock options which may not exceed 10% of the Company’s issued common shares as at the date of grant.

On October 21, 2022, the Company granted 666,666 stock options to employees and consultants. Each stock option has an exercise price of \$0.30 and will vest on a quarterly basis until October 21, 2023. The stock options expire October 21, 2027.

The value of the stock options granted was determined using a BSM with the following assumptions:

Grant Date	Fair Value at Date of Grant	Grant Date Share Price \$	Exercise Price \$	Expected Volatility	Risk-Free Interest Rate	Expected dividend rate	Expected Life (years)
October 21, 2022	44,958	0.12	0.30	90%	3.65%	0%	5

A summary of the Company's stock options and the changes during the period are as follows:

	Number of options	Weighted-average exercise price (\$)
Balance – March 31, 2022	1,016,667	0.60
Issued	666,666	0.30
Cancelled	(83,333)	0.60
Balance – March 31, 2023	1,600,000	0.45
Exercised	(1,600,000)	0.45
Balance – December 31, 2023	-	-

Diluted Income Per Share

Diluted income per share is calculated based on the following:

	For the 3 months ended Dec. 31, 2023	For the 3 months ended Dec. 31, 2022	For the 9 months ended Dec. 31, 2023	For the 9 months ended Dec. 31, 2022
Net income attributable to Company's shareholders for the period	\$ 24,310,547	\$ (218,216)	\$ 23,878,786	\$ (754,106)
Basic weighted average # of shares	29,133,785	24,146,773	26,855,761	22,291,554
Basic income per share	\$ 0.83	\$ (0.01)	\$ 0.89	\$ (0.03)
EFFECT OF DILUTIVE SECURITIES				
Stock options	236,768	-	375,842	-
Warrants	539,344	-	731,998	-
Dilutive weighted average # of shares	29,909,897	24,146,773	27,963,601	22,291,554
Dilutive income per share	\$ 0.81	\$ (0.01)	\$ 0.85	\$ (0.03)

The following table lists the number of potentially dilutive securities excluded from the computation of diluted income per share as the exercise price exceeded the average market value of the shares during the period.

	For the 3 months ended Dec. 31, 2023	For the 3 months ended Dec. 31, 2022	For the 9 months ended Dec. 31, 2023	For the 9 months ended Dec. 31, 2022
Average market value of the shares	\$ 0.2134	n/a	\$ 0.1759	n/a
Stock options	-	-	333,333	-
Warrants	-	-	1,256,000	-

11 RELATED PARTY TRANSACTIONS

The Company defines key management personnel as its directors and officers. The Company entered into the following transactions with its key management:

	3 months ended Dec. 31, 2023	3 months ended Dec. 31, 2022	9 months ended Dec. 31, 2023	9 months ended Dec. 31, 2022
Employee salaries and benefits	\$ 432,138	\$ 54,102	\$ 528,619	\$ 162,563
Share based payment	517	14,534	9,752	30,039
Exploration costs – field work	6,759	12,329	19,987	36,972
Exploration costs - royalties	-	-	67,715	64,685
Professional fees	56,469	3,565	76,392	26,677

Salary deferral

From February 1, 2022 to September 30, 2023, in order to assist the Company, an officer deferred receiving payment of their salary. During the three months ended December 31, 2023, all salaries owing were paid in full to the officer. As of December 31, 2023, the Company owed \$nil (March 31, 2023 - \$84,000) to this related party for accrued salary. The amounts due are non-interest bearing, unsecured, and due on demand.

Management contracts

The Company is party to certain management contracts. These contracts require payment of up to \$400,000 upon the occurrence of a change of control of the Company. The Company is also committed to payments upon termination of \$400,000 pursuant to the terms of these contracts. As a triggering event has not occurred, these amounts have not been recorded in the Financial Statements. As of December 31, 2023, the Company owed \$6,000 (March 31, 2023 - \$18,000) to a related party for monthly service fees under their management contract. The amounts due are non-interest bearing, unsecured, and due on demand.

Exploration costs

As a result of acquiring the Peru mineral properties from Palamina (Note 8) and having directors in common with the Company, Palamina became a related party. At December 31, 2023, the Company owed Palamina \$nil (March 31, 2023 - \$7,570) as reimbursement for shared exploration expenditures incurred on the Peru mineral properties. The amounts due are included in accounts payable and are non-interest bearing, unsecured, and due on demand.

Professional fees

The Company incurs legal fees with an officer of the Company. As of December 31, 2023, the Company owed this related party \$31,728 (March 31, 2023 - \$6,597). The amounts due are non-interest bearing, unsecured, and due on demand.

Share transactions

Refer to Note 10 regarding share transactions with related parties.

12 SEGMENTED INFORMATION

The Company's reportable operating segments, which are components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's Chief Executive Officer, who is the Company's chief operating decision maker, for the purpose of assessing performance. The Company's operating segments are its exploration and evaluation expenditures, which are disclosed by geographic location in Note 8. All corporate expenses are incurred in Canada.

Total assets by segment:

	December 31, 2023	March 31, 2023
Canada	\$ 3,304,529	\$ 229,955
Peru	21,333	6,307
Total assets	\$ 3,325,862	\$ 236,262

13 CAPITAL MANAGEMENT

The Company manages its capital structure based on the funds available to the Company in order to support the acquisition and exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities.

Management reviews its capital management approach 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 restrictions.

On December 8, 2023, the Company paid a return of capital of \$23,530,849, the majority of the net cash proceeds received from the settlement from the Government of Tanzania (Note 9). The remaining cash held by the Company will follow the same Company's objectives, policies, and processes for managing capital.