CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
(unaudited)

For the three months ended March 31, 2024 and 2023

Expressed in Canadian Dollars, unless otherwise noted

ARTEMIS
GOLD INC

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Notes	**As at March 31, 2024 $**	As at December 31, 2023 $
Assets			
Current assets			
Cash and cash equivalents		**154,512,609**	156,590,674
Receivables and prepayments		**5,080,312**	10,234,647
Current portion of restricted cash	*5*	**7,456,551**	-
		167,049,472	166,825,321
Non-current assets			
Investment in Velocity	*4*	**7,492,827**	7,585,568
Restricted cash	*5*	**8,814,300**	15,126,227
Capitalized contract costs		**1,955,775**	1,955,775
Deferred financing costs		**3,895,489**	10,006,762
Prepayments on non-current assets		**8,645,719**	15,159,857
Mineral property, plant and equipment	*6*	**1,077,644,939**	904,114,838
TOTAL ASSETS		**1,275,498,521**	1,120,774,348
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**61,421,342**	52,814,479
Current portion of lease liabilities	*7*	**1,843,074**	1,373,303
Current portion of deferred revenue	*11*	**5,745,557**	2,856,891
Derivative liabilities	*14*	**1,777,355**	-
		70,787,328	57,044,673
Non-current liabilities			
Lease liabilities	*7*	**21,585,501**	19,967,754
Variable consideration payable	*8*	**48,758,649**	47,262,688
Long-term debt	*9*	**270,999,475**	143,497,758
Asset retirement obligation	*10*	**33,987,470**	24,204,282
Deferred revenue	*11*	**249,219,705**	247,441,738
TOTAL LIABILITIES		**695,338,128**	539,418,893
Shareholders' equity			
Share capital	*12*	**603,200,039**	599,868,231
Contributed surplus	*12*	**24,426,579**	22,307,061
Accumulated other comprehensive income		**3,622,371**	3,622,371
Deficit		**(51,088,596)**	(44,442,208)
Total Shareholders' equity		**580,160,393**	581,355,455
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,275,498,521**	1,120,774,348

Approved for Issuance by the Board of Directors:

"Elise Rees" Director

"Steven Dean" Director

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

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars, except per share amounts and number of shares)

	Notes	**For the three months ended March 31, 2024 $**	For the three months ended March 31, 2023 $
Operating expenses			
Depreciation	*6*	**170,340**	166,476
Management fees and wages	*13*	**1,887,922**	1,503,772
Investor relations and corporate development		**104,342**	143,464
Office, insurance and general		**378,217**	571,757
Professional fees		**304,385**	341,148
Share-based payments	*12, 13*	**1,847,454**	744,985
Loss from operations		**(4,692,660)**	(3,471,602)
Other (expense) income			
Interest expense on lease liability	*7*	**(21,300)**	(31,528)
Accretion expense on asset retirement obligation	*10*	**(62,332)**	(30,088)
Equity loss from investment in associate	*4*	**(92,741)**	(184,978)
Change in fair value of Gold Collars	*14*	**(1,777,355)**	-
Interest income		**-**	1,905,109
Net loss and comprehensive loss		**(6,646,388)**	(1,813,087)
Loss per common share			
Basic and diluted		**(0.03)**	(0.01)
Weighted average number of common shares outstanding			
Basic and diluted		**199,480,325**	193,234,801

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

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - Expressed in Canadian Dollars, except number of shares)

		Share capital					
	Notes	**Number of shares**	**Amount**	**Contributed surplus**	**Accumulated other comprehensive income**	**Deficit**	**Total shareholders' equity**
		#	$	$	$	$	$
Balance - January 1, 2024		198,706,255	599,868,231	22,307,061	3,622,371	(44,442,208)	581,355,455
Exercise of share purchase warrants	*12*	2,947,500	3,183,300	-	-	-	3,183,300
Exercise of stock options	*12*	20,000	148,508	(48,308)	-	-	100,200
Shared-based payments	*12*	-	-	2,167,826	-	-	2,167,826
Net loss		-	-	-	-	(6,646,388)	(6,646,388)
Balance - March 31, 2024		**201,673,755**	**603,200,039**	**24,426,579**	**3,622,371**	**(51,088,596)**	**580,160,393**

		Share capital					
	Notes	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income	Deficit	Total shareholders' equity
		#	$	$	$	$	$
Balance - January 1, 2023		193,211,701	589,253,146	17,549,291	3,622,371	(32,997,077)	577,427,731
Exercise of share purchase warrants	*12*	33,000	35,640	-	-	-	35,640
Shared-based payments	*12*	-	-	1,103,694	-	-	1,103,694
Net loss		-	-	-	-	(1,813,087)	(1,813,087)
Balance - March 31, 2023		**193,244,701**	**589,288,786**	**18,652,985**	**3,622,371**	**(34,810,164)**	**576,753,978**

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

ARTEMIS GOLD INC.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Notes	For the three months ended March 31, 2024 $	For the three months ended March 31, 2023 $
Operating activities			
Net loss and comprehensive loss		**(6,646,388)**	(1,813,087)
Items not involving cash:			
Depreciation		**170,340**	166,476
Share-based payments	*12, 13*	**1,847,454**	744,985
Interest expense on lease liability	*7*	**21,300**	31,528
Accretion expense on asset retirement obligation	*10*	**62,332**	30,088
Equity loss from investment in associate	*4*	**92,741**	184,978
Change in fair value of Gold Collars	*14*	**1,777,355**	-
Interest income		**-**	(1,905,109)
Net changes in non-cash working capital:			
Accounts payable and accrued liabilities		**(2,476,406)**	(1,411,840)
Receivables and prepayments		**(52,032)**	15,105
Net cash used in operating activities		**(5,203,304)**	(3,956,876)
Investing activities			
Interest received		**1,779,083**	2,029,945
Purchases of mineral property, plant and equipment		**(129,521,368)**	(70,807,146)
Restricted cash		**(1,144,624)**	(4,289,300)
Net cash used in investing activities		**(128,886,909)**	(73,066,501)
Financing activities			
Deferred financing costs		**(694,741)**	(10,339,132)
Exercise of stock options	*12*	**100,200**	-
Exercise of share purchase warrants	*12*	**3,183,300**	35,640
Lease payments	*7*	**(576,611)**	(169,468)
Proceeds from long-term debt	*9*	**130,000,000**	-
Net cash provided by (used in) financing activities		**132,012,148**	(10,472,960)
Change in cash and cash equivalents		**(2,078,065)**	(87,496,337)
Cash and cash equivalents, beginning		**156,590,674**	194,089,372
Cash and cash equivalents, ending		**154,512,609**	106,593,035

1. NATURE OF OPERATIONS

Artemis Gold Inc. ("**Artemis Gold**" or the "**Company**") was incorporated under the Business Corporations Act (British Columbia) on January 10, 2019. The Company is a development-stage company focused on the development of the Blackwater Gold Mine ("**Blackwater**" or the "**Blackwater Mine**") in central British Columbia. The Company's common shares are traded on the TSX Venture Exchange ("**TSXV**") under the symbol "ARTG".

The Company operates a single reportable segment, being the exploration and development of mineral properties. All of the Company's non-current assets are located in Canada.

The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, B.C., Canada. The Company's registered and records office is located at 1133 Melville Street, Suite 3500, Vancouver, B.C., Canada.

2. BASIS OF PREPARATION

Basis of preparation and measurement

These unaudited condensed consolidated interim financial statements ("**Interim Financial Statements**") have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("**IAS 34**"). They do not include all of the information and footnotes required by IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS**") for full annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the years ended December 31, 2023 and 2022 ("**Annual Financial Statements**"). The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements except as disclosed below related to new accounting standards.

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. References to "**US$**" are for United States Dollars. Certain prior period amounts have been reclassified to conform to the presentation in the current period.

These Interim Financial Statements were approved by the board of directors on May 6, 2024.

Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, BW Gold Ltd. and 1337890 B.C. Ltd., all of which are domiciled in Canada. All inter-company balances, transactions, income and expenses have been eliminated upon consolidation.

Adoption of new accounting standards

IAS 1, *Presentation of Financial Statements* ("**IAS 1**"): In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Effective January 1, 2024, the Company adopted these amendments, which did not have a material effect on its Interim Financial Statements.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

3. USE OF ESTIMATES AND 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 the reported amounts of revenues and 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 in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company's interim results are not necessarily indicative of its results for a full year. The significant accounting policy judgments and areas of estimation uncertainty that applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 4 of the Annual Financial Statements.

4. INVESTMENT IN VELOCITY MINERALS LTD. ("VLC")

The Company's investment in VLC is comprised of:

	Investment in associate $
Balance, January 1, 2023	**8,176,317**
Equity loss on investment in associate	(590,749)
Balance, December 31, 2023	**7,585,568**
Equity loss on investment in associate	(92,741)
Balance, March 31, 2024	**7,492,827**

As at March 31, 2024, the Company held 50,701,138 common shares of VLC (or 26% of VLC's issued and outstanding common shares) with a fair market value of $4.8 million (December 31, 2023 - 50,701,138 VLC shares, or 26% of VLC's issued and outstanding common shares, at a fair value of $5.6 million).

The assets and liabilities of VLC are summarized in the following table and incorporates VLC's most recently available financial information, which was as at December 31, 2023.

	December 31, 2023 $
Current assets	3,563,349
Non-current assets	26,299,852
	29,863,201
Current liabilities	905,920
Non-current liabilities	70,571
	976,491
Total net assets attributable to owners of Velocity	24,148,331
Company's equity share of net assets	6,240,293
Loss and comprehensive loss for the three months ended December 31, 2023	353,443

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

5. RESTRICTED CASH

As at March 31, 2024, the Company recorded a total of $16.3 million (December 31, 2023 - $15.1 million) of restricted cash on the statements of financial position with respect to cash collateral provided to support surety bonds related to reclamation, fish habitat compensation plans and mining effluent requirements, construction holdbacks and other collateral provided in regard to financial security in support of general corporate accounts, as detailed below:

	March 31, 2024		December 31, 2023	
	$		$	
	Restricted cash	Surety bond	Restricted cash	Surety bond
Reclamation and environmental security	**8,698,900**	**120,259,000**	8,698,900	86,989,000
Construction holdback liability	**7,456,551**	**-**	6,311,927	-
Other	**115,400**	**585,544**	115,400	585,544
Balance	**16,270,851**	**120,844,544**	15,126,227	87,574,544
Less: current portion	**(7,456,551)**		-	
Non-current portion	**8,814,300**		15,126,227	

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

6. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property [1]	Construction in Progress [2]	Right-of-use assets [3]	Camp	Equipment	Vehicles	Other [4]	Total
	$	$	$	$	$	$	$	$
COST								
Balance, January 1, 2023	381,131,615	46,406,633	2,329,600	4,802,845	1,673,062	280,672	1,402,480	438,026,907
Additions	107,893,413	342,187,242	20,621,019	-	-	-	61,218	470,762,892
Balance, December 31, 2023	**489,025,028**	**388,593,875**	**22,950,619**	**4,802,845**	**1,673,062**	**280,672**	**1,463,698**	**908,789,799**
Additions	38,508,012	133,992,002	2,317,894	-	-	-	-	174,817,908
Balance, March 31, 2024	**527,533,040**	**522,585,877**	**25,268,513**	**4,802,845**	**1,673,062**	**280,672**	**1,463,698**	**1,083,607,707**
Balance, January 1, 2023	-	-	(799,109)	(1,066,081)	(212,950)	(71,336)	(165,492)	(2,314,968)
Depreciation	-	-	(1,648,164)	(433,731)	(99,781)	(53,704)	(124,613)	(2,359,993)
Balance, December 31, 2023	-	-	**(2,447,273)**	**(1,499,812)**	**(312,731)**	**(125,040)**	**(290,105)**	**(4,674,961)**
Depreciation	-	-	(1,109,200)	(108,432)	(24,492)	(14,030)	(31,653)	(1,287,807)
Balance, March 31, 2024	**-**	**-**	**(3,556,473)**	**(1,608,244)**	**(337,223)**	**(139,070)**	**(321,758)**	**(5,962,768)**
NET BOOK VALUE								
Balance, December 31, 2023	**489,025,028**	**388,593,875**	**20,503,346**	**3,303,033**	**1,360,331**	**155,632**	**1,173,593**	**904,114,838**
Balance, March 31, 2024	**527,533,040**	**522,585,877**	**21,712,040**	**3,194,601**	**1,335,839**	**141,602**	**1,141,940**	**1,077,644,939**

(1) Mineral property primarily includes expenditures related to technical services, environmental regulatory and compliance, capitalized interest, accretion of variable consideration payable, accretion of deferred revenue, discounted future reclamation costs (Note 10), capitalized stock-based compensation and capitalized interest on lease liabilities.

(2) Construction in Progress consists of costs associated with the Blackwater Mine, which includes the engineering, procurement and construction ("**EPC**") contract for the processing plant.

(3) Right-of-use assets consist of the initial construction and mining fleet related to the Blackwater Mine, as well as corporate office leases.

(4) "Other" includes furniture, buildings and land.

Total depreciation recognized during the three months ended March 31, 2024 was $1.3 million (three months ended March 31, 2023 - $0.3 million), of which $0.2 million was expensed in the condensed consolidated interim statements of loss and comprehensive loss (three months ended March 31, 2023 - $0.2 million). The remaining depreciation charges were capitalized to mineral property.

The amount of capitalized interest included in mineral property during the three months ended March 31, 2024 was $10.2 million (three months ended March 31, 2023 - $5.0 million). The amounts of capitalized interest include the accretion of variable consideration payable and deferred revenue, as well as commitment fees and interest expense net of interest income associated with the PLF and master lease agreement. Capitalized interest included in mineral

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

6. MINERAL PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

property during the three months ended March 31, 2024 includes $1.6 million of interest income associated with the cash proceeds from the PLF.

The additions to mineral property during the three months ended March 31, 2024 includes $9.7 million in changes in the asset retirement obligation estimate (three months ended March 31, 2023 - $0.4 million).

7. LEASE LIABILITIES

The Company's lease liabilities are primarily related to construction equipment required for the execution of the owner-performed scope of major works construction activities at the Blackwater Mine. The Company's lease liabilities have interest rates that vary between 6.0% to 10.1%.

The following table summarizes the changes in lease liabilities:

	March 31, 2024 $	December 31, 2023 $
Opening balance	**21,341,057**	**1,712,564**
Additions	2,329,079	20,537,403
Lease payments	(576,611)	(1,277,934)
Interest	335,050	369,024
Closing balance	**23,428,575**	**21,341,057**
Less: current portion	(1,843,074)	(1,373,303)
Non-current portion	**21,585,501**	**19,967,754**

Total interest incurred on lease liabilities during the three months ended March 31, 2024 was $0.3 million (three months ended March 31, 2023 - $0.1 million), which was primarily capitalized to mineral property.

Future scheduled lease payments, comprising principal and interest are disclosed in Note 14.

8. VARIABLE CONSIDERATION PAYABLE

The Company's variable consideration payable is associated with the gold stream arrangement ("**Gold Stream**") the Company entered into as part of the consideration associated with the acquisition of Blackwater. The initial fair value of the financial liability was determined using a discount rate of 12.5%.

The following table summarizes the changes in variable consideration payable:

	Carrying amount $
Balance, January 1, 2023	**41,709,665**
Accretion expense capitalized to mineral property, plant and equipment	5,553,023
Balance, December 31, 2023	**47,262,688**
Accretion expense capitalized to mineral property, plant and equipment	1,495,961
Balance, March 31, 2024	**48,758,649**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

9. LONG-TERM DEBT

The Company executed the Project Loan Facility ("**PLF**") with a syndicate of lenders on February 24, 2023, in respect of a $360 million PLF plus up to $25 million of capitalized interest, to fund a significant component of the estimated construction costs of the development of the Blackwater Mine. The PLF also provides for a $40 million standby cost overrun facility ("**COF**").

	March 31, 2024 $	December 31, 2023 $
Proceeds received on drawdowns of PLF	280,000,000	150,000,000
Deferred financing costs	(13,634,213)	(7,147,687)
Amortization of deferred financing costs	61,114	8,883
Capitalized interest	4,572,574	636,562
	270,999,475	**143,497,758**

The following table summarizes the changes in long-term debt:

	$
Balance, January 1, 2024	143,497,758
Proceeds received on drawdown of PLF	130,000,000
Reclassification of deferred financing costs	(6,486,526)
Amortization of deferred financing costs	52,231
Capitalized interest	3,936,012
Balance, March 31, 2024	**270,999,475**

On March 25, 2024, the Company drew a further $130 million under the PLF, bringing the total drawn under the PLF to $280 million as at March 31, 2024.

The PLF carries an interest rate at the Canadian Dealer Offered Rate ("CDOR"), plus a margin of 4.75% pre-project completion, reducing to 4.25% post-completion. Any amounts drawn on the COF will carry the above pricing plus an additional 2%. CDOR is currently scheduled to cease publication in June 2024, at which point the Company and its lenders will transition to the Canadian Overnight Repo Rate Average ("CORRA").

As at March 31, 2024, the amount available to be drawn under the PLF and COF was approximately $100 million (including approximately $20 million of capitalized interest remaining available), subject to meeting certain conditions precedent.

As at March 31, 2024, the Company was in compliance with its debt covenants.

Aggregate future minimum repayments, including both the principal amount of drawings and capitalized interest, are disclosed in Note 14.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

10. ASSET RETIREMENT OBLIGATION

The following table summarizes the changes to the asset retirement obligation:

	Carrying amount $
Balance, January 1, 2023	**11,292,855**
Accretion expense	307,994
Change in obligation estimate	12,603,433
Balance, December 31, 2023	**24,204,282**
Accretion expense	62,332
Change in obligation estimate	9,720,856
Balance, March 31, 2024	**33,987,470**

As at March 31, 2024, the assumptions applied in estimating the asset retirement obligation related to the inflation rate and discount rate were 2.05% and 3.34% per annum (as at December 31, 2023 1.99% and 3.02% per annum), respectively.

As at March 31, 2024 and December 31, 2023, the Company's estimate of the undiscounted future cash flows related to the asset retirement obligation was $45.8 million and $30.8 million, respectively (Note 14).

11. DEFERRED REVENUE

The Company's deferred revenue is associated with the Silver Stream Precious Metals Purchase Agreement ("**Silver Stream**") and the separate amendment of the Gold Stream ("**Gold Stream Amendment**") that the Company entered into to fund the development and construction of the Blackwater Mine.

The following table summarizes the changes in deferred revenue:

	Silver Stream $	Gold Stream Amendment $	Total $
Balance, January 1, 2023	-	-	-
Deposits	189,763,200	53,769,430	**243,532,630**
Accretion	5,507,112	1,258,887	**6,765,999**
Balance, December 31, 2023	**195,270,312**	**55,028,317**	**250,298,629**
Accretion	3,793,428	873,205	**4,666,633**
Balance, March 31, 2024	**199,063,740**	**55,901,522**	**254,965,262**
Less: current portion	(5,745,557)	-	**(5,745,557)**
Non-current portion	**193,318,183**	**55,901,522**	**249,219,705**

The upfront cash deposits received under the Silver Stream and Gold Stream Amendment are accounted for as deferred revenue with a significant financing component, with the related accretion expense being capitalized to mineral property until the Blackwater Mine is operating in a manner intended by management. The deferred revenue associated with the Silver Stream and Gold Stream Amendment is being accreted to reflect the significant financing component at a pre-tax rate of 8% and 6.5%, respectively, being the estimated rate implicit to the Silver Stream and Gold Stream Amendment. The current portion of deferred revenue related to the Silver Stream is based on an estimate of silver ounce production from Blackwater for the next twelve months. As the deliveries under the Gold Stream Amendment are not expected to begin until 2034, the entire amount of the deferred revenue related to the Gold Stream Amendment is recorded as non-current as of March 31, 2024.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

12. EQUITY

a) Stock options

The Company may grant stock options to its directors, executive officers, employees and consultants to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company exercisable for a period of up to 10 years from the date of grant, subject to vesting conditions.

The Company uses the Black Scholes option pricing model to determine the fair value of stock options granted. As at March 31, 2024, the Company had the following stock options outstanding and exercisable:

	Number of stock options #	Weighted-average exercise price $
Outstanding – January 1, 2023	**10,309,600**	**4.67**
Granted	3,393,875	4.92
Exercised	(991,666)	3.79
Forfeited	(1,049,334)	5.17
Outstanding – December 31, 2023	**11,662,475**	**4.77**
Granted	2,413,500	7.22
Exercised	(20,000)	5.01
Forfeited	(51,000)	5.22
Outstanding – March 31, 2024	**14,004,975**	**5.19**

The following table summarizes the options outstanding and exercisable at March 31, 2024 and December 31, 2023:

As at March 31, 2024	Total options outstanding			Total options exercisable		
Range of exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price
$1.00-$3.00	1,350,000	5.6	$ 1.18	1,350,000	5.6	$ 1.18
$3.01-$5.00	3,923,975	3.8	$ 4.80	1,249,325	3.8	$ 4.81
$5.01-$7.00	6,171,500	2.1	$ 5.47	4,974,340	1.9	$ 5.47
$7.01-$9.00	2,559,500	4.8	$ 7.22	100,000	2.7	$ 7.25
	14,004,975	**3.4**	**$ 5.19**	**7,673,665**	**2.9**	**$ 4.63**

As at December 31, 2023	Total options outstanding			Total options exercisable		
Range of exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price	Number	Weighted average remaining contractual life (years)	Weighted average exercise price
$1.00-$3.00	1,350,000	5.8	$ 1.18	1,350,000	5.8	$ 1.18
$3.01-$5.00	3,965,975	4.1	$ 4.80	342,033	3.7	$ 4.61
$5.01-$7.00	6,196,500	2.3	$ 5.47	4,716,008	2.1	$ 5.43
$7.01-$9.00	150,000	2.9	$ 7.25	100,000	2.9	$ 7.25
	11,662,475	**3.3**	**$ 4.77**	**6,508,041**	**3.0**	**$ 3.00**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

12. EQUITY (CONTINUED)

a) Stock options (continued)

Share-based payments arising from stock options that were recognized during the three months ended March 31, 2024 was $1.9 million (three months ended March 31, 2023 - $1.1 million), of which $0.9 million was expensed during the three months ended March 31, 2024 in the condensed consolidated interim statements of loss and comprehensive loss (three months ended March 31, 2023 - $0.7 million) and the remainder capitalized to mineral property.

The following assumptions were used in the valuation of the stock options granted during the three months ended March 31, 2024 and 2023:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Annualized volatility	**54%**	54%
Expected life (years)	**5**	5
Dividend rate	**0.00%**	0.00%
Risk-free interest rate	**3.60%**	3.15%
Forfeiture rate	**0.00%**	0.00%

As at March 31, 2024, outstanding stock options had a weighted average remaining life of 3.4 years (December 31, 2023 – 3.3 years).

b) Restricted Share Units

The Company adopted a cash-settled Share Unit Plan in early 2023 ("**Share Unit Plan**"). Recipients of Restricted Share Units ("**RSUs**") issued under the Share Unit Plan will receive a cash settlement in the amount equal to the market price of the RSUs on their vesting dates, with such amounts to be paid within 30 days of the respective vesting dates. On August 10, 2023, the Company adopted the Omnibus Incentive Plan ("**Omnibus Plan**"). Once RSUs issued under the Omnibus Plan vest, settlement shall be made by the issuance of one Common Share for each RSU being settled, a cash payment equal to the market price on the vesting date of the RSUs being settled in cash, or a combination of shares and cash, all as determined by the Board in its sole discretion.

On February 23, 2024, the Company granted 503,500 RSUs under the Omnibus Plan to non-independent directors, officers and employees of the Company.

Share-based payments arising from RSUs issued under the Share Unit Plan that were recognized during the three months ended March 31, 2024 totalled $1.0 million (three months ended March 31, 2023 - $nil), of which $0.7 million was expensed during the three months ended March 31, 2024, in the condensed consolidated interim statements of loss and comprehensive loss (three months ended March 31, 2023 - $nil), and the remainder was capitalized to mineral property.

Share-based payments arising from RSUs issued under the Omnibus Plan that were recognized during the three months ended March 31, 2024 totalled $0.2 million (three months ended March 31, 2023 - $nil), of which $0.1 million was expensed during the three months ended March 31, 2024, in the condensed consolidated interim statements of loss and comprehensive loss (three months ended March 31, 2023 - $nil), and the remainder was capitalized to mineral property.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

12. EQUITY (CONTINUED)

c) Deferred Share Units

Under the Share Unit Plan, deferred share units ("**DSUs**") may be granted to non-executive directors of the Company from time to time. Vested DSUs issued under the Share Unit Plan are to be settled in a cash amount equal to the market price of the vested DSUs on the date that the person ceases to be a director of the Company, with the settlement to occur within 30 days of the person ceasing to be a director of the Company. Vested DSUs issued under the Omnibus Plan may be redeemed by non-executive directors once they cease to be a director of the Company by providing a redemption notice to the Company specifying the redemption date which will be at least three months following the date that the person ceased to be a non-executive director, but no later than December 15th of the year following which the person ceased to be a non-executive director. The former non-executive director would be entitled to one common share for each vested DSU under the Omnibus Plan, or a cash payment equal to the market value of such vested DSUs on the redemption date, or a combination of shares and cash, all as determined by the Board in its sole discretion.

On February 23, 2024 the Company granted 33,000 DSUs under the Omnibus Plan to directors of the Company.

Share-based payments arising from DSUs issued under the Share Unit Plan and Omnibus Plan that were recognized during the three months ended March 31, 2024 totalled $0.1 million (three months ended March 31, 2023 - $nil), of which the entire amount was expensed during the three months ended March 31, 2024, in the condensed consolidated interim statements of loss and comprehensive loss (three months ended March 31, 2023 - $nil).

d) Share purchase warrants

All share purchase warrants expire on August 27, 2024. A summary of the changes in share purchase warrants is as follows:

	Number of warrants	Weighted-average exercise price $
Outstanding - January 1, 2023	**30,689,909**	**1.08**
Exercised	(4,502,888)	1.08
Outstanding - December 31, 2023	**26,187,021**	**1.08**
Exercised	(2,947,500)	1.08
Outstanding - March 31, 2024	**23,239,521**	**1.08**

As at March 31, 2024, outstanding share purchase warrants had a weighted average remaining life of 0.4 years (December 31, 2023 – 0.7 years).

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

a) Key management compensation

The Company transacts with key management personnel, who have authority and responsibility to plan, direct and control the activities of the Company and receive compensation for services rendered in that capacity. Amounts paid to related parties were incurred in the normal course of business. Salaries, benefits, consulting fees and director's fees are recorded on a historical cost basis while share-based compensation is measured at the fair value of the instruments issued, with the expense recognized over the relevant vesting periods. Key management for the three months ended March 31, 2024 consists of the Company's directors, Chief Executive Officer, Chief Financial Officer, President and Chief Operating Officer and Chief ESG Officer.

Compensation awarded to key management for the three months ended March 31, 2024 and 2023 was:

	For the three months ended March 31, 2024 $	For the three months ended March 31, 2023 $
Salaries and benefits	**661,147**	604,632
Consulting fees	**525,298**	457,508
Director fees	**141,215**	155,314
Share-based payments	**1,738,800**	689,534
	3,066,460	1,906,988

As at March 31, 2024, the Company did not owe any unpaid salaries, benefits or consulting fees to the Company's Chief Executive Officer, Chief Financial Officer, President and Chief Operating Officer, Chief ESG Officer or to directors (as at December 31, 2023 - $nil).

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities, long-term debt, variable consideration payable, zero cost gold collars ("**Gold Collars**"), and the embedded derivative asset related to the partial buy-back option of the Silver Stream (Note 11). All financial instruments are initially recorded at fair value and designated as follows: cash and cash equivalents and receivables are classified as financial assets at amortized cost. The embedded derivative asset related to the partial buy-back option of the Silver Stream is classified as a financial asset at fair value through profit or loss. Accounts payable, variable consideration payable and long-term debt are classified as financial liabilities and are measured at amortized cost. The Gold Collars are a derivative financial instrument measured at fair value through profit or loss that is not designated for hedge accounting.

Financial instrument risk exposure

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. As at March 31, 2024, the Company has cash on deposit with several large Canadian financial institutions to counteract concentration risk from holding a significant amount of the Company's cash and cash equivalents at one financial institution. Management believes the risk of loss with respect to cash and cash equivalents to be remote.

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its obligations as they fall due. The Company's cash and cash equivalents are held in business accounts which are available on demand.

The Company's remaining undiscounted contractual commitments and obligations as at March 31, 2024 were as follows:

	< 1 year $	2 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable and accrued liabilites	61,421,342	-	-	-	**61,421,342**
Lease liabilities	4,103,182	12,553,228	11,362,063	2,889,268	**30,907,741**
Construction commitments	159,863,062	-	-	-	**159,863,062**
Master lease agreement and other capital commitments	127,592,465	-	-	-	**127,592,465**
Variable consideration payable	-	-	56,000,000	28,000,000	**84,000,000**
Long-term debt	9,574,357	215,891,809	109,405,276	46,250,876	**381,122,318**
Asset retirement obligation	1,256,572	-	-	44,544,143	**45,800,715**
Total	363,810,980	228,445,037	176,767,339	121,684,287	**890,707,643**

The Company's undiscounted contractual commitments as at December 31, 2023 were as follows:

	< 1 year $	2 - 3 years $	4 - 5 years $	> 5 years $	Total $
Accounts payable and accrued liabilites	52,814,479	-	-	-	**52,814,479**
Lease liabilities	3,271,085	11,197,777	10,224,633	3,616,939	**28,310,434**
Construction commitments	225,911,079	-	-	-	**225,911,079**
Master lease agreement and other capital commitments	123,920,680	-	-	-	**123,920,680**
Variable consideration payable	-	-	56,000,000	28,000,000	**84,000,000**
Long-term debt	-	106,673,952	74,334,859	26,351,857	**207,360,668**
Asset retirement obligation	-	1,256,572	-	29,508,093	**30,764,665**
Total	405,917,323	119,128,301	140,559,492	87,476,889	**753,082,005**

Contractual commitments related to long-term debt represent required repayments of principal and capitalized interest on the PLF.

Contractual commitments related to lease liabilities represent future repayments of principal and interest on the construction and mining fleet leased under the master lease agreement, as well as the corporate office leases. The Company incurs commitment fees of 1.0% on the remaining amounts available on the master lease agreement, payable quarterly up until the earlier of December 31, 2024 or when all of the construction and mining fleet have been fully financed. The remaining undrawn amount available under the master lease agreement was $117.2 million as at March 31, 2024.

As at March 31, 2024, the Company expects that its working capital position, along with the undrawn amounts on the PLF and remaining amounts available on the mobile equipment master lease agreement provide sufficient resources available to meet its contractual obligations for the ensuing 12 months.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Market risk

Market risk is the risk that the fair market value of the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, and equity and commodity prices, and currency rates.

i. Interest rate risk

Interest rate risk is the risk that the future cash flows from a financial instrument will fluctuate due to changes in market interest rates. The Company holds its cash in bank accounts that earn variable interest rates. The Company's other current financial assets and current financial liabilities are generally not exposed to interest rate risk because of their short-term nature. Drawdowns under the Company's PLF and deliveries of leased equipment under the Company's master lease agreement are currently at an interest rate benchmarked to CDOR which may expose the Company to interest rate risk. A 1% change in interest rates would not have a significant impact on future cash flows arising from financial instruments as at March 31, 2024.

ii. Price risk

In order to mitigate gold price risk, and to satisfy one of the requirements to utilize the PLF (Note 9), the Company entered into gold forward sales contracts ("**Gold Forwards**") during the year ended December 31, 2023. As of March 31, 2024, the Company has committed to delivering 190,000 gold ounces at a weighted average price of $2,851/ounce between March 2025 and December 2027. As Blackwater is under development, there were no deliveries made as at March 31, 2024. The Company determined the Gold Forwards met the criteria of the "own use" exemption in IFRS 9, *Financial Instruments*, and therefore fell outside the scope of financial instrument accounting.

The Company's future cash flow from mining operations is subject to commodity price risk from fluctuations in the market for prices for gold and silver. The Company may enter commodity hedging contracts from time to time to reduce its exposure to fluctuations in spot commodity prices.

The Company has entered into Gold Collars to further reduce the risk associated with future fluctuations of the price of gold. The Gold Collars represent European-style put and call options that are generally settled in cash as they expire at the end of each settlement date. These Gold Collars are not designated as hedging instruments. Changes in the fair value of the Gold Collars are recorded in other income and expense. As at March 31, 2024, the Company has entered into Gold Collars on 30,000 gold ounces with settlement dates spread between December 2024 and February 2025 at a weighted average put price of $2,600/ounce and weighted average call price of $3,353/ounce. As at and for the three months ended March 31, 2024, the Company has recognized a derivative liability of $1.8 million (December 31, 2023 - $nil) related to the Gold Collars, with the expense recognized as a change in fair value in the statements of loss and comprehensive loss.

ii. Currency risk

The functional currency of the Company is the Canadian dollar. Currency transaction risk and currency translation risk is the risk that fluctuations of the Canadian dollar in relation to other currencies may impact the fair value of financial assets or liabilities. As of March 31, 2024, the Company had US dollar denominated cash deposits of US$0.2 million. There were no other significant financial assets or liabilities that were subject to currency translation risk.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Fair value

A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly (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.

As at March 31, 2024, the carrying value of the Company's cash and cash equivalents, restricted cash, receivables, as well as accounts payable approximate their fair values due to their short-term nature. The fair value of the Company's long-term debt also approximates its face value. The fair value of variable consideration payable (Note 8) is estimated to be $44.2 million, which was determined using a discounted cashflow approach with an estimated market interest rate applied. The fair value of the Company's equity investment in VLC is disclosed in Note 4. The fair value of the embedded derivative asset related to the partial buy-back option of the Silver Stream (Note 11) is estimated to be $nil and was determined by using a discounted cash flow approach with an estimated market silver price applied. The fair value of the Gold Collars (Note 14) is estimated to be a liability of $1.8 million and was determined based on forward price curves for gold denominated in Canadian dollars.

Fair value is based on available public market information or, when such information is not available, estimated using present value or option pricing techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk.