



KENORLAND MINERALS LTD.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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 the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

KENORLAND MINERALS LTD.Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

| | Note | March 31, 2024 | December 31, 2023 |
|--|------|-------------------|----------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 25,525,939 | 25,430,198 |
| Receivables | 3, 9 | 3,272,548 | 3,207,733 |
| Prepaid expenses | | 247,955 | 520,196 |
| | | 29,046,442 | 29,158,127 |
| Investments | 4 | 2,660,491 | 2,780,312 |
| Investment in associates | 5 | 702,470 | 724,172 |
| Exploration and evaluation assets and royalty | 6 | 17,899,827 | 17,101,519 |
| Equipment | | 39,760 | 42,253 |
| Right-of-use assets | | 255,920 | 276,125 |
| | | 50,604,910 | 50,082,508 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 7, 9 | 1,001,942 | 1,632,454 |
| Advances received | 6 | 4,231,769 | 3,761,343 |
| Current income tax liability | | - | 268,456 |
| Current portion of lease liability | | 71,688 | 69,251 |
| | | 5,305,399 | 5,731,504 |
| Deferred income tax liability | | 1,686,000 | 1,686,000 |
| Lease liability | | 198,915 | 217,705 |
| | | 7,190,314 | 7,635,209 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 8 | 32,123,316 | 30,848,698 |
| Reserves | 8 | 4,060,420 | 4,548,242 |
| Retained earnings | | 7,230,860 | 7,050,359 |
| | | 43,414,596 | 42,447,299 |
| | | 50,604,910 | 50,082,508 |

Nature and continuance of operations (Note 1) and subsequent events (Note 14)

Approved and authorized for issuance by the Board of Directors on May 27, 2024.

“Jessica Van Den Akker”
Director

“Jay Sujir”
Director

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

KENORLAND MINERALS LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - Unaudited)

| | Note | For the three months ended March 31, | |
|---|------|---|-------------------|
| | | 2024 | 2023 |
| Revenue | 9 | \$ 1,142,847 | \$ 576,245 |
| Operating expenses | | | |
| Conference and marketing | | 76,473 | 76,447 |
| Consulting | | 45,751 | 126,066 |
| Depreciation | | 22,698 | 1,819 |
| Foreign exchange loss (gain) | | (22,852) | 146 |
| Insurance | | 14,798 | 17,965 |
| Interest on lease liability | | 8,446 | - |
| Management fees | 9 | 16,500 | 16,500 |
| Office expenses | | 82,862 | 65,424 |
| Professional fees | | 94,894 | 24,273 |
| Project generation | | - | 24,035 |
| Salaries and benefits | 9 | 582,419 | 509,273 |
| Share-based compensation | 8, 9 | 479,283 | 916,299 |
| Transfer agent and filing fees | | 68,429 | 13,357 |
| Travel and related | | 26,874 | 6,927 |
| | | (1,496,575) | (1,798,531) |
| Loss from operations | | (353,728) | (1,222,286) |
| Other income (expenses) | | | |
| Gain on sales of mineral properties | 4 | 167,891 | 2,791,521 |
| Interest and other income | | 353,037 | 190,133 |
| Net change in fair value of investments | 4 | (287,712) | (4,322,552) |
| Equity loss in investment in associates | 5 | (21,702) | (19,679) |
| Impairment of exploration and evaluation assets | 6 | - | (22,205) |
| | | 211,514 | (1,382,782) |
| Loss and comprehensive loss before income taxes | | (142,214) | (2,605,068) |
| Income tax expense | | - | (539,000) |
| Deferred income tax recovery | | - | 537,000 |
| Net loss for the period | | (142,214) | (2,607,068) |
| Basic and diluted loss per share | | (0.00) | (0.04) |
| Weighted average number of common shares outstanding (basic and diluted) | | 63,920,771 | 62,589,946 |

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

KENORLAND MINERALS LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - Unaudited)

| | Number of Shares Issued | Share Capital | Reserves | Retained Earnings | Total Shareholders' Equity |
|--|-------------------------------|-------------------|------------------|----------------------|----------------------------------|
| | # | \$ | \$ | \$ | \$ |
| Balance, December 31, 2022 | 62,589,946 | 30,618,927 | 3,225,248 | 11,129,895 | 44,974,070 |
| Share-based compensation | - | - | 916,299 | - | 916,299 |
| Net loss for the period | - | - | - | (2,607,068) | (2,607,068) |
| Balance, March 31, 2023 | 62,589,946 | 30,618,927 | 4,141,547 | 8,522,827 | 43,283,301 |
| Shares issued for cash | 42,476 | 32,154 | - | - | 32,154 |
| Options exercised | 800,000 | 97,617 | (37,617) | - | 60,000 |
| Options expired | - | - | (14,942) | 14,942 | - |
| Warrants expired | - | - | (320,901) | 320,901 | - |
| Shares issued for exploration and evaluation assets | 128,077 | 100,000 | - | - | 100,000 |
| Share-based compensation | - | - | 780,155 | - | 780,155 |
| Net loss for the period | - | - | - | (1,808,311) | (1,808,311) |
| Balance, December 31, 2023 | 63,560,499 | 30,848,698 | 4,548,242 | 7,050,359 | 42,447,299 |
| Shares issued for cash | 91,484 | 68,730 | - | - | 68,730 |
| Options exercised | 911,836 | 184,089 | (184,089) | - | - |
| Warrants exercised | 587,853 | 871,798 | (460,301) | - | 411,497 |
| Warrants expired | - | - | (322,715) | 322,715 | - |
| Shares issued for exploration and evaluation assets | 214,287 | 150,001 | - | - | 150,001 |
| Share-based compensation | - | - | 479,283 | - | 479,283 |
| Net loss for the period | - | - | - | (142,214) | (142,214) |
| Balance, March 31, 2024 | 65,365,959 | 32,123,316 | 4,060,420 | 7,230,860 | 43,414,596 |

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

KENORLAND MINERALS LTD.Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

| | For the three months ended March 31, | |
|---|---|-------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Cash flows used in operating activities | | |
| Net loss for the period | (142,214) | (2,607,068) |
| Adjustments for items not affecting cash | | |
| Depreciation | 22,698 | 1,819 |
| Net change in fair value of investments | 287,712 | 4,322,552 |
| Gain on sale of mineral properties | (167,891) | (2,791,521) |
| Share-based compensation | 479,283 | 916,299 |
| Interest on lease liability | 8,446 | - |
| Equity loss in investment in associates | 21,702 | 19,679 |
| Deferred income tax recovery | - | (537,000) |
| Impairment of exploration and evaluation assets | - | 22,205 |
| Change in non-cash working capital items | | |
| Receivables | (64,815) | (473,422) |
| Prepaid expenses | 272,241 | (173,390) |
| Accounts payable and accrued liabilities | (918,923) | (589,604) |
| Current income tax liability | (268,456) | 139,000 |
| | (470,217) | (1,750,451) |
| Cash flows used in investing activities | | |
| Exploration and evaluation assets expenditures | (6,563,019) | (2,997,869) |
| Advances received for exploration and evaluation assets expenditures | 6,673,549 | 4,404,000 |
| Option payments and sale proceeds received | - | 250,000 |
| Purchase of equipment | - | (21,400) |
| | 110,530 | 1,634,731 |
| Cash flows provided by financing activities | | |
| Shares issued for cash | 68,730 | - |
| Warrants exercised | 411,497 | - |
| Repayment of lease liability | (24,799) | - |
| | 455,428 | - |
| Change in cash and cash equivalents during the period | 95,741 | (115,720) |
| Cash and cash equivalents, beginning of the period | 25,430,198 | 24,133,235 |
| Cash and cash equivalents, end of the period | 25,525,939 | 24,017,515 |

Supplemental disclosure with respect to cash flows (Note 12)

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

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Kenorland Minerals Ltd. (the “Company” or “Kenorland”) was incorporated on May 29, 2018 under the Business Corporations Act of British Columbia. Its principal business activity is the acquisition and exploration of mineral properties. The Company is listed for trading on the TSX Venture Exchange (“TSX-V”), Frankfurt Stock Exchange, and OTCQX under the symbol “KLD.V”, “3WQ0”, and “KLDCF”, respectively.

The head office of the Company is located at 1570 – 1111 West Georgia Street, Vancouver, B.C., V6E 4M3 and the registered and records office of the Company is located at 2080 – 777 Hornby Street, Vancouver, B.C., V6Z 1S4.

The Company’s exploration and evaluation assets are at the exploration stage and are without a known body of commercial ore. The business of exploring for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation assets costs represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets costs is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2024, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and raise equity capital or borrowings sufficient to meet current and future obligations. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company’s business or ability to raise funds. So far, the Company has had minimal or no impact due to these issues.

These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Management estimates its current working capital will be sufficient to fund its current level of activities for the next twelve months.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these condensed interim consolidated financial statements.

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB").

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the years ended December 31, 2023 and 2022.

These condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on May 27, 2024.

Basis of presentation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

The condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

| Name | Jurisdiction | Percentage owned | |
|---------------------------------------|--------------|-------------------|----------------------|
| | | March 31, 2024 | December 31, 2023 |
| 1223437 B.C. Ltd. | Canada | 100% | 100% |
| Northway Resources Alaska Corporation | USA | 100% | 100% |
| Kenorland Minerals North America Ltd. | Canada | 100% | 100% |
| 1118892 B.C. Ltd. | Canada | 100% | 100% |
| Kenorland Minerals USA Inc. | USA | 100% | 100% |
| 1431275 B.C. Ltd. | Canada | 100% | 100% |

All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of estimates (continued)

The most significant accounts that require estimates and judgements as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, determination of functional currency, level of control or influences over companies, going concern of operations, valuation of share-based compensation and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets and royalty

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Determination of functional currency

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

Level of control or influence over companies

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting.

Going concern of operations

The condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company's ability to source future operations and continue as a going concern involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption is not appropriate for the consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statements of financial position classifications used (Note 1).

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Use of estimates (continued)

Accounting for royalty interests

There is judgement as to whether the royalty interests should be accounted for as a financial asset, intangible asset or tangible asset. These interests, where the right to receive cash or metal exist only to the extent there is production and there are no interest payments, minimum payment obligations or any other means to enforce production or guarantee repayment are classified as tangible assets by the Company. The purchase price of each interest acquired is economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator), and price risk (returns depending on the future commodity price, driven by future supply and demand) are all risks which the Company indirectly participates in on a similar basis to an owner of the underlying mineral license. However due to the nature of royalty interests, the Company has no input into the operations of the mines of which it has an interest.

Impairment of royalty interests

Royalty interests are assessed at each reporting date for indicators of impairment. The assessment requires the use of estimates and assumptions for variables such as the production profile, production commissioning dates as applicable, forecast commodity rates and guidance from the mine operators such as reserve and resource estimates and/or other relevant information which would indicate reduced or ceased production from royalty interests.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, risk-free interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Fair value of private company investments

Where the fair values of investments in private companies recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Royalty interests

These royalty interests which are identified and classified as tangible assets are initially measured at cost, including any directly attributable transaction costs. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. Project evaluation costs that are not related to a specific acquired royalty asset are expensed in the period incurred.

On acquisition of a pre-development royalty interest on future potential revenues of an exploration and evaluation stage mineral property, an allocation of its cost is attributable to the exploration interest and is recorded as a non-depletable asset on the acquisition date. The values of the exploration potential are accounted for in accordance with IFRS 6 Exploration and Evaluation of Mineral Resources ("IFRS 6") and is not depleted until such time as the technical feasibility and commercial viability have been established, at which point the value of the asset is accounted for in accordance with IAS 16 Property, Plant and Equipment ("IAS 16").

Impairment of royalty interests

Evaluation of the carrying values of each royalty interest is undertaken when events or changes in circumstances indicate that the carrying values may not be recoverable. For assets classified as exploration potential, the impairment is assessed at each reporting period in accordance with IFRS 6. If any indication of impairment exists, the recoverable amount is estimated to determine the extent of any impairment loss. The recoverable amount is the higher of the fair value less costs of disposal and value in use. The calculation of the recoverable amount includes the following significant assumptions: production based on estimated mineral reserves and mineral resources, long-term commodity prices, and discount rate. Estimated future production is determined using estimated mineral reserves and mineral resources as well as exploration potential expected to be converted into resources or reserves. Long-term commodity prices are determined by reference to average long-term price forecasts per analyst consensus pricing. If it is determined that the recoverable amount is less than the carrying value, then an impairment is recognized with a charge to profit or loss.

An assessment is made at each reporting period if there is any indication that the previous impairment loss may no longer exist or is decreased. If indications are present, the carrying amount of the royalty interest is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount net of depletion that would have been determined had no impairment loss been recognized for the royalty interest in previous periods.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Standards issued or amended but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

3. RECEIVABLES

| | March 31, 2024 | December 31, 2023 |
|----------------------|-------------------|----------------------|
| | \$ | \$ |
| Accounts receivable | 862,215 | 142,334 |
| Accrued receivable | 538,108 | 538,108 |
| Sales tax receivable | 1,872,225 | 2,527,291 |
| | 3,272,548 | 3,207,733 |

4. INVESTMENTS

A summary of the Company's investment in equity instruments is as follows:

| | Marketable Securities | | | | Warrants | Private company investments | | | Total |
|--------------------------------------|-----------------------|-------------|----------------|----------------|-----------|-----------------------------|---------------|------------------|------------------|
| | Kingfisher | Li-FT Power | Jayden | Targa | Troilus | Plethora | J2 Metals | Koulou | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2022 | 70,000 | 11,021,043 | 805,830 | - | 10,723 | 266,500 | 810,748 | - | 12,984,844 |
| Addition | - | - | - | 2,914,629 | 240,000 | - | - | 161,035 | 3,315,664 |
| Proceeds from sale of investments | - | (6,945,607) | - | - | (268,517) | - | - | - | (7,214,124) |
| Realized gain on sale of investments | - | 4,941,782 | - | - | 28,517 | - | - | - | 4,970,299 |
| Change in fair value of investments | (38,500) | (9,017,218) | (389,021) | (2,329,775) | (10,723) | (159,888) | (770,211) | 1,438,965 | (11,276,371) |
| Balance as at December 31, 2023 | 31,500 | - | 416,809 | 584,854 | - | 106,612 | 40,537 | 1,600,000 | 2,780,312 |
| Addition | - | - | - | 167,891 | - | - | - | - | 167,891 |
| Change in fair value of investments | (7,000) | - | (111,149) | (169,563) | - | - | - | - | (287,712) |
| Balance as at March 31, 2024 | 24,500 | - | 305,660 | 583,182 | - | 106,612 | 40,537 | 1,600,000 | 2,660,491 |

Targa Exploration Corp. ("Targa")

In January 2024, the Company received 1,459,918 shares of Targa at a fair value of \$0.115 per share in connection with the option agreement of the Targa projects entered in October 2022.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

5. INVESTMENT IN ASSOCIATES

A summary of the Company's investment in associates is as follows:

| | Prospector | Koulou Gold | Total |
|--|----------------|----------------|------------------|
| | \$ | \$ | \$ |
| Balance as at December 31, 2022 | 763,168 | 298,382 | 1,061,550 |
| Proceeds from sale of investment in associates | - | (50,000) | (50,000) |
| Dilution gain | - | 43,816 | 43,816 |
| Equity loss | (38,996) | (131,163) | (170,159) |
| Reclassified to investments | - | (161,035) | (161,035) |
| Balance as at December 31, 2023 | 724,172 | - | 724,172 |
| Equity loss | (21,702) | - | (21,702) |
| Balance as at March 31, 2024 | 702,470 | - | 702,470 |

Prospector Royalty Corp.

In January 2021, the Company acquired a 45% interest in Prospector Royalty Corp. ("Prospector") by paying \$45,000. In August 2021, Gold Royalty Corp. subscribed for 12.5% of Prospector for \$2,000,000. As a result, the Company's ownership was diluted to 39.38% and recorded a dilution gain of \$782,997 representing the increase of net assets in Prospector.

Prospector's financial information as at December 31, 2023 and March 31, 2024 and loss and comprehensive loss for the year ended December 31, 2023 and for the three months ended March 31, 2024 are as follows:

| | March 31, 2024 | December 31, 2023 |
|--|-------------------|----------------------|
| | \$ | \$ |
| Cash | 1,457,889 | 1,585,969 |
| Other current assets | 12,008 | 65,784 |
| Non-current assets | 359,000 | 226,500 |
| Total assets | 1,828,897 | 1,878,253 |
| Current liabilities | (44,846) | (39,087) |
| Net assets | 1,784,051 | 1,839,166 |
| Loss and comprehensive loss for the period | (55,115) | (99,037) |
| Company's share of loss during the period | (21,702) | (38,996) |

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY

The Company's costs and expenditures for the periods related to exploration and evaluation of mineral properties are as follows:

| | Chebistuan | Chicobi | Frotet | Hunter | Lac Fagnant | O'Sullivan | Others | Separation Rapids |
|--|----------------|---------------|------------------|----------------|----------------|----------------|------------------|----------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2022 | 214,708 | 82,107 | 3,106,955 | 226,208 | 21,830 | 437,582 | 1,217,332 | - |
| Acquisition costs | - | - | 400,000 | - | - | - | - | 150,000 |
| Exploration expenditures: | | | | | | | | |
| Assays | 76,889 | 28,432 | 1,004,606 | 19,334 | - | 45,141 | 703 | 189,082 |
| Camp and heavy equipment | 162,611 | 319,895 | 454,093 | 4,261 | - | 10,041 | 1,200 | 42,948 |
| Consulting and personnel | 696,299 | 257,655 | 3,584,374 | 102,102 | - | 290,555 | 15,952 | 331,673 |
| Drilling | 231,808 | - | 4,698,133 | 7,937 | - | - | - | - |
| Fuel | 14,441 | 4,304 | 246,688 | 168 | - | 1,582 | - | 18,805 |
| Geophysics | - | - | - | 109,615 | - | 715,378 | 679,203 | - |
| Helicopter and fixed wing | - | - | - | - | - | - | - | 66,976 |
| Site development and reclamation | 3,521 | 68,925 | 111,925 | 51,316 | - | 4,674 | 82,691 | 8,794 |
| Staking and claim maintenance | 8,601 | 68,977 | 6,501 | 30,076 | 375 | 43,688 | 1,100,380 | 13,655 |
| Supplies | 127,105 | 22,578 | 855,853 | 3,570 | - | 23,448 | 10,182 | 16,116 |
| Travel and accommodations | 62,505 | 420 | 222,918 | 4,629 | - | 8,137 | 8,394 | 44,203 |
| | 1,383,780 | 771,186 | 11,585,091 | 333,008 | 375 | 1,142,644 | 1,898,705 | 882,252 |
| Contribution received from optionees | (1,383,780) | - | - | (333,008) | - | (1,290,889) | - | (882,252) |
| Contribution from joint venture partner | - | (771,186) | (10,283,775) | - | - | - | - | - |
| Refundable mining tax credit | - | - | (725,918) | - | - | (8,526) | - | - |
| Consideration received | - | - | - | - | - | - | (3,044,630) | (150,000) |
| Gain on sale of mineral properties | - | - | - | - | - | - | 2,860,857 | 150,000 |
| Government grant | - | - | - | - | - | - | - | - |
| Impairment of exploration and evaluation assets | - | - | - | - | (22,205) | - | (31,966) | - |
| Balance as at December 31, 2023 | 214,708 | 82,107 | 3,682,353 | 226,208 | - | 280,811 | 2,900,298 | - |

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

| | South Thompson | South Uchi | Total Canada | Tanacross | Healy | Total USA | Total |
|---|-------------------|------------------|---------------------|------------------|------------------|--------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2022 | 273,741 | 143,872 | 5,724,335 | 1,641,102 | 6,260,672 | 7,901,774 | 13,626,109 |
| Acquisition costs | - | 200,000 | 750,000 | 117,005 | - | 117,005 | 867,005 |
| Exploration expenditures: | | | | | | | |
| Assays | - | 184,103 | 1,548,290 | 102,234 | 1,212 | 103,446 | 1,651,736 |
| Camp and heavy equipment | - | 92,093 | 1,087,142 | 389,036 | 11,702 | 400,738 | 1,487,880 |
| Consulting and personnel | - | 396,581 | 5,675,191 | 1,133,752 | 9,397 | 1,143,149 | 6,818,340 |
| Drilling | - | - | 4,937,878 | 985,158 | - | 985,158 | 5,923,036 |
| Fuel | - | 56,143 | 342,131 | 294,393 | - | 294,393 | 636,524 |
| Geophysics | 26,889 | 16,549 | 1,547,634 | 27,690 | 59,653 | 87,343 | 1,634,977 |
| Helicopter and fixed wing | - | 235,600 | 302,576 | - | 19,915 | 19,915 | 322,491 |
| Site development and reclamation | 20,823 | 21,417 | 374,086 | 14,204 | - | 14,204 | 388,290 |
| Staking and claim maintenance | 7,536 | 13,044 | 1,292,833 | 329,381 | 162,986 | 492,367 | 1,785,200 |
| Supplies | 58 | 60,892 | 1,119,802 | 335,812 | 1,906 | 337,718 | 1,457,520 |
| Travel and accommodations | 8,367 | 58,427 | 418,000 | 136,591 | 7,409 | 144,000 | 562,000 |
| | 63,673 | 1,334,849 | 19,395,563 | 3,865,256 | 274,180 | 4,139,436 | 23,534,999 |
| Contribution received from optionees | - | - | (3,889,929) | (3,865,256) | - | (3,865,256) | (7,755,185) |
| Contribution from joint venture partner | - | - | (11,054,961) | - | - | - | (11,054,961) |
| Refundable mining tax credit | - | - | (734,444) | - | - | - | (734,444) |
| Consideration received | - | (150,000) | (3,344,630) | (67,055) | - | (67,055) | (3,411,685) |
| Gain on sale of mineral properties | - | - | 3,010,857 | - | - | - | 3,010,857 |
| Government grant | - | (60,000) | (60,000) | - | - | - | (60,000) |
| Impairment of exploration and evaluation assets | - | - | (54,171) | - | - | - | (54,171) |
| Balance as at December 31, 2023 | 337,414 | 1,268,721 | 8,992,620 | 1,574,047 | 6,534,852 | 8,108,899 | 17,101,519 |

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

| | Chebistuan | Chicobi | Frotet | Hunter | O'Sullivan | Others | Separation Rapids | South Thompson |
|---|----------------|---------------|------------------|----------------|----------------|------------------|----------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2023 | 214,708 | 82,107 | 3,682,353 | 226,208 | 280,811 | 2,900,298 | - | 337,414 |
| Acquisition costs | - | - | - | - | - | 220,001 | - | - |
| Exploration expenditures: | | | | | | | | |
| Assays | 8,371 | 13,822 | 197,615 | 26,885 | 157,610 | - | 2,846 | - |
| Camp and heavy equipment | 6,825 | 75,626 | 77,253 | 102,999 | 125,345 | - | - | - |
| Consulting and personnel | 13,860 | 110,666 | 654,590 | 160,492 | 499,918 | - | 5,370 | - |
| Drilling | 12,001 | 398,005 | 1,108,578 | 1,016,605 | 654,036 | - | - | - |
| Fuel | 753 | 330 | 67,561 | 4,093 | 4,122 | - | - | - |
| Geophysics | - | - | - | - | - | 121,618 | - | 515,093 |
| Site development and reclamation | 932 | 2,650 | 10,235 | 26,321 | - | 37,917 | - | 1,711 |
| Staking and claim maintenance | 357 | 715 | - | 1,357 | 907 | 27,446 | 15,056 | 357 |
| Supplies | 18,000 | 11,293 | 125,553 | 45,643 | 94,234 | - | - | - |
| Travel and accommodations | 4,825 | - | 43,958 | 6,914 | 21,939 | 8,532 | - | - |
| | 65,924 | 613,107 | 2,285,343 | 1,391,309 | 1,558,111 | 415,514 | 23,272 | 517,161 |
| Contribution received from optionees | (65,924) | - | - | (1,391,309) | (1,558,111) | - | (23,272) | - |
| Contribution from joint venture partner | - | (613,107) | (2,285,343) | - | - | - | - | - |
| Government grant | - | - | - | - | - | - | - | (100,000) |
| Transfer of exploration and evaluation assets | - | - | (3,682,353) | - | - | - | - | - |
| Balance as at March 31, 2024 | 214,708 | 82,107 | - | 226,208 | 280,811 | 3,315,812 | - | 754,575 |

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

| | South Uchi | Total Canada | Tanacross | Healy | Total USA | Total | Frotet Royalty | Total |
|---|------------------|--------------------|------------------|------------------|------------------|--------------------|-------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2023 | 1,268,721 | 8,992,620 | 1,574,047 | 6,534,852 | 8,108,899 | 17,101,519 | - | 17,101,519 |
| Acquisition costs | - | 220,001 | - | - | - | 220,001 | - | 220,001 |
| Exploration expenditures: | | | | | | | | |
| Assays | 7,589 | 414,738 | 7,206 | - | 7,206 | 421,944 | - | 421,944 |
| Camp and heavy equipment | - | 388,048 | 49,413 | - | 49,413 | 437,461 | - | 437,461 |
| Consulting and personnel | 629 | 1,445,525 | 158,194 | - | 158,194 | 1,603,719 | - | 1,603,719 |
| Drilling | - | 3,189,225 | - | - | - | 3,189,225 | - | 3,189,225 |
| Fuel | - | 76,859 | 14,201 | - | 14,201 | 91,060 | - | 91,060 |
| Geophysics | 92,400 | 729,111 | - | - | - | 729,111 | - | 729,111 |
| Site development and reclamation | 1,770 | 81,536 | 2,967 | - | 2,967 | 84,503 | - | 84,503 |
| Staking and claim maintenance | 12,224 | 58,419 | - | 67 | 67 | 58,486 | - | 58,486 |
| Supplies | - | 294,723 | 25,030 | - | 25,030 | 319,753 | - | 319,753 |
| Travel and accommodations | - | 86,168 | - | - | - | 86,168 | - | 86,168 |
| | 114,612 | 6,984,353 | 257,011 | 67 | 257,078 | 7,241,431 | - | 7,241,431 |
| Contribution received from optionees | - | (3,038,616) | (266,057) | - | (266,057) | (3,304,673) | - | (3,304,673) |
| Contribution from joint venture partner | - | (2,898,450) | - | - | - | (2,898,450) | - | (2,898,450) |
| Government grant | (140,000) | (240,000) | - | - | - | (240,000) | - | (240,000) |
| Reclassification of the Frotet Royalty | - | (3,682,353) | - | - | - | (3,682,353) | 3,682,353 | - |
| Balance as at March 31, 2024 | 1,243,333 | 6,117,554 | 1,565,001 | 6,534,919 | 8,099,920 | 14,217,474 | 3,682,353 | 17,899,827 |

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Notes to Condensed Interim Consolidated Financial Statements
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6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Chebistuan Property, Quebec, Canada

The Chebistuan Property is located in Quebec and was acquired by nominal staking costs and acquisition from arm's length vendors. Certain mineral claims are subject to a 2% net smelter return royalty and half of the royalty (1.0%) can be redeemed at the Company's discretion for consideration of \$1,000,000 payable in cash. The Company holds the right of first refusal over this same 1% of royalty.

In July 2020, and later amended in June 2021, the Company entered into an exploration with venture option agreement with Newmont Corporation ("Newmont") wherein Newmont can earn up to an 80% interest in the Chebistuan Property. Under the agreement, the Company is the operator and will be compensated based on exploration expenditures incurred. In order to acquire an 80% interest, Newmont must make exploration expenditures as follows:

- a) to acquire an undivided 51% interest, advance the Company a minimum of \$700,000 in qualifying expenditures to complete the geochemical sampling work (advanced); approval of the geochemical sampling work; and incur or advance the Company an additional \$2,000,000 in qualifying exploration expenditures (funded and earned).
- b) to acquire an additional undivided 29% interest (for a total undivided interest of 80%), incur additional qualifying exploration expenditures to furnish the Company with a NI43-101-compliant prefeasibility study demonstrating the Chebistuan Property contains an inferred resource of at least 1,500,000 gold ounces.

Chicobi Property, Quebec, Canada

The Chicobi Property is located 30 kilometers northeast of the town of Amos, Quebec.

In February 2019, the Company entered into an earn in and joint venture exploration agreement with Sumitomo Metal Mining Canada Limited ("SMMCL"). Under the agreement, SMMCL can earn up to a 70% interest in the Chicobi Property by making exploration expenditures as follows:

- a) to acquire an undivided 51% interest, SMMCL must fund an aggregate of \$4.9 million in expenditures on the Chicobi Property on or before May 31, 2022 (funded and earned).
- b) to acquire an additional undivided 19% interest (for a total undivided interest of 70%), SMMCL must, within 90 days following the completion of acquiring 51% interest, notify the Company that they will fund an aggregate of an additional \$10 million in expenditures on the property within three years.

In July 2022, SMMCL notified the Company that SMMCL would not exercise the right to earn the additional 19% interest. The parties formed a joint venture on a 49/51 basis and the Company will remain the operator.

If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 2% net smelter return royalty in favor of the other party in respect of minerals produced from the property. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

As at March 31, 2024, the Company's interest has been diluted from 49% to 41% as the Company opted to not contribute to further exploration at the Chicobi Property.

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(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Frotet Property, Quebec, Canada

The Frotet Property is located north of Chibougamau, Quebec. Certain mineral claims are subject to a 2% net smelter return royalty and half of the royalty (1.0%) can be redeemed at the Company's discretion for consideration of \$1,000,000 payable in cash.

In April 2018, the Company entered in an earn in and joint venture exploration agreement with SMMCL. Under the agreement, SMMCL can earn up to an 80% interest in the Frotet Property by incurring total exploration expenditures of \$8.3 million. In April 2021, SMMCL completed the earn in of an 80% interest by funding an aggregate of \$8.3 million in expenditures on the Frotet Property. The Company and SMMCL will fund future exploration expenditures based on a 20/80 basis and the Company will remain the operator.

If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 2% net smelter return royalty in favor of the other party in respect of minerals produced from the property. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

In April 2023, the Company completed the purchase agreement with O3 Mining Inc. ("O3") entered into in April 2020 to purchase mineral claims in Quebec for an aggregate purchase price of \$900,000. Upon completion of the purchase agreement, when the property goes into commercial production, O3 will be entitled to receive a 2% net smelter return royalty with the right to purchase one half of the royalty upon the payment of \$1,000,000.

In February 2024, the Company completed the exchange with SMMCL of the Company's 20% participating interest in the Frotet Property for a 4.0% NSR on all minerals extracted from the Frotet Property (the "Frotet Royalty"). As a result of the transaction, SMMCL owns 100% of the Frotet Property and the joint venture agreement dated April 17, 2018 between the Company and SMMCL is now terminated. The Frotet Royalty is subject to the following buy down rights:

- A 0.25% royalty interest may be purchased for a \$3,000,000 cash payment to the Company within five years of the grant of the Frotet Royalty upon the closing of the transaction.
- A 0.50% royalty interest may be purchased for a \$10,000,000 cash payment to the Company within ten years of the grant of the Frotet Royalty upon the closing of the transaction, provided Sumitomo has exercised the first buy down right.

In the event SMMCL exercises the buy down rights, the Frotet Property would be reduced to an uncapped 3.25% net smelter return royalty on all minerals extracted from the property. Kenorland will remain the operator of the Frotet Property for at least one year following the transaction to facilitate a successful transition of operatorship to SMMCL.

As the Frotet Royalty is a pre-development royalty interest on future potential revenues of an exploration and evaluation stage mineral property, the Company determined that the acquisition cost of the Frotet Royalty should be the carrying cost the 20% participating interest in the Frotet Project. As a result, the Company allocated the value of the 20% participating interest in the Frotet Project of \$3,682,353 to the Frotet Royalty.

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(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Hunter Property, Quebec, Canada

The Hunter Property is located within the southern Abitibi Greenstone Belt, Quebec.

In January 2022, the Company entered into a property option agreement with a wholly owned subsidiary of Centerra Gold Inc. ("Centerra") pursuant to which Kenorland has agreed to grant Centerra the option to acquire up to a 70% interest in the Hunter Property.

Pursuant to the property option agreement, Centerra can earn an initial 51% interest in the Hunter Property by incurring an aggregate of \$5,000,000 in mineral exploration expenditures on or before the fourth anniversary of the property option agreement (the "First Option"). Centerra can earn an additional 19% interest in the Hunter Property, for an aggregate 70% interest held (the "Second Option") by completing a technical report in respect of the Hunter Property that establishes a mineral resource of at least one million ounces of gold prepared in accordance with the requirements of National Instrument 43-101 of the Canadian Securities Administrators on or before the fourth anniversary of the exercise of the First Option, provided that Centerra must provide notice of its intent to exercise the Second Option within 90 days of the exercise of the First Option.

Following the earning of a 70% interest, Centerra and Kenorland will form a joint venture in respect of the property. In the event a joint venture participant's interest is diluted to below 10%, it will exchange its joint venture interest for a net smelter return royalty of 2% on currently unencumbered claims and 1.5% on claims currently encumbered by an existing royalty.

O'Sullivan Property, Quebec, Canada

The Company holds a 100% interest in mining claims located within the Abitibi greenstone belt in Northern Quebec.

In December 2022, the Company entered into an earn in and joint venture exploration agreement with SMMCL. Under the agreement, SMMCL can earn up to a 70% interest in the O'Sullivan Property by making exploration expenditures as follows:

- a) to acquire an undivided 51% interest, SMMCL must fund an aggregate of \$4.9 million in expenditures on the O'Sullivan Property on or before December 15, 2025, of which \$1.2 million are guaranteed expenditures.
- b) to acquire an additional undivided 19% interest (for a total undivided interest of 70%), SMMCL must incur additional qualifying exploration expenditures to deliver a NI-43-101 compliant feasibility study on the O'Sullivan Property disclosing mineral resources in the measured and indicated categories of not less than 1,500,000 ounces of gold (or AuEq) within an additional seven years.

Once SMMCL has earned a 70% interest, the Company will have the option to convert the minority joint venture interest into a net smelter return royalty of 4% on the property. If the participating interest in the joint venture property of any party is diluted to 10% or less whether by reason of failure to complete funding contribution requirements or default, the participating interest will be deemed to have been automatically converted to a 3% net smelter return royalty in favor of the other party in respect of minerals produced from the property, with 1% subject to buyback for \$1 million. If the party whose participating interest is forfeited, they will be deemed to have abandoned the property and the full benefit, ownership and title of the property shall be deemed to have passed to the other party for the payment of good and valuable consideration.

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6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Other Properties, Canada

The other properties represent mineral claims that the Company staked in the provinces of British Columbia, Manitoba, Ontario, Quebec, and Saskatchewan, Canada.

Stormy Lake Property

In January 2024, the Company entered into two option agreements with certain arm's length vendors to acquire a 100% interest in the Stormy Lake Property located in Ontario, Canada. Pursuant to the agreements, the terms are as follows:

| | Cash payment (\$) | | Common shares (\$) |
|--|-------------------|----------------|--------------------|
| Upon extension of the claim anniversary by 12 months | (paid) | 25,000 | - |
| 1 st anniversary | | 25,000 | 25,000 |
| 2 nd anniversary | | 30,000 | 30,000 |
| 3 rd anniversary | | 37,500 | 37,500 |
| 4 th anniversary | | 50,000 | 50,000 |
| Total Requirement | | 167,500 | 142,500 |

Additionally, the Company will grant a 1.5% net smelter return royalty with a 0.5% buyback provision, exercisable by the one-time payment of \$1,000,000 in cash.

| | Cash payment (\$) | | Common shares (\$) | |
|---|-------------------|----------------|--------------------|----------------|
| Upon execution of agreement | (paid) | 50,000 | | |
| Upon extension of the claim anniversary by 9 months | | - | (issued) | 150,000 |
| 1 st anniversary | | 50,000 | | 150,000 |
| 2 nd anniversary | | 100,000 | | 150,000 |
| 3 rd anniversary | | 150,000 | | 150,000 |
| Total Requirement | | 350,000 | | 600,000 |

Additionally, the Company will grant a 1.5% net smelter return royalty with a 0.5% buyback provision, exercisable by the one-time payment of \$1,000,000 in cash.

In March 2024, the Company entered into three option agreements with certain arm's length vendors to acquire additional mining claims located in Ontario, Canada. Pursuant to the agreements, the terms are as follows:

Cash payments:

| | First Agreement \$ | Second Agreement \$ | Third Agreement \$ |
|--|-----------------------|------------------------|-----------------------|
| Upon execution or extension of the claim anniversary | (paid) 20,000 | 30,000 | 25,000 |
| 1 st anniversary | 25,000 | 50,000 | 50,000 |
| 2 nd anniversary | 50,000 | 75,000 | 75,000 |
| 3 rd anniversary | 100,000 | 100,000 | 100,500 |
| 4 th anniversary | - | 150,000 | 150,000 |
| Total Requirement | 195,000 | 405,000 | 400,500 |

Additionally, each option agreement is subject to a 2.0% net smelter return royalty with a 1.0% buyback provision, exercisable by the one-time payment of \$1,000,000 in cash, respectively.

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6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Separation Rapids Property, Ontario, Canada

During the year ended December 31, 2022, the Company staked claims located within the English River domain in the Kenora Mining District of northwestern Ontario (the "Separation Rapids Property").

In March 2022, the Company entered into a property option agreement with Double O Seven Mining Ltd. ("007"), a private British Columbia company. Pursuant to the agreement, the Company agreed to grant 007 the option to acquire up to a 100% interest in the Separation Rapids Property for aggregate payments of \$1,500,000 over five years (\$250,000 received). The parties also entered into an operating agreement whereby the Company was engaged by 007 to operate the Separation Rapids Property for an initial two-year term. Upon completion of the property option agreement, Kenorland will retain a net smelter return royalty of 2.5%.

South Thompson Property, Manitoba, Canada

During the years ended December 31, 2020 and 2022, the Company staked claims located in Manitoba.

South Uchi Property, Ontario, Canada

During the year ended December 31, 2021, the Company staked claims located within the Birch-Uchi greenstone Belt, in the Red Lake district of Northwestern Ontario (the "South Uchi Property").

In April 2021, the Company entered into an option agreement to acquire a 100% interest in the property located in Ontario, Canada. In April 2023, the Company exercised the option and paid an aggregate of \$175,000 in cash and issued shares with an aggregate value of \$175,000 over 2 years.

Upon the exercise of the option, Kenorland granted the optionor a 2% net smelter return royalty on the property, of which one-half (1%) may be purchased by Kenorland at any time for an aggregate payment of \$1,000,000 which may be paid in cash or through the issuance of common shares of Kenorland, at the discretion of the optionor.

Healy Property, Alaska, USA

Pursuant to the option agreement with Newmont effective July 2018, the Company was entitled to acquire a 70% interest in a property located in Fairbanks Recording District, Alaska, USA (the "Healy Property") upon incurring aggregate expenditures of US\$4,000,000 on the property during the Phase 1 period of the contribution. In December 2021, the Company received acknowledgement it had completed the Phase 1 earn-in. Upon completing the Phase 1 earn-in requirement on the Healy Property, the value of the Company's initial contribution is US\$4,000,000 (70% interest) and the value of optionor's initial contribution is US\$1,715,000 (30% interest). The Company and the optionor shall fund an adopted program on a pro-rata basis in accordance with their respective participating interests.

Tanacross Property, Alaska, USA

The property is located northeast of Tok, Alaska and was acquired by staking and a payment of \$20,000 to an arm's length vendor in June 2017 (the "Tanacross Property") and Freeport-McMoRan Mineral Properties Inc. held a 1% net smelter royalty in the property.

In July 2022, the Company entered into an earn-in agreement with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC. Under the agreement, Antofagasta can earn up to a 70% interest in the Tanacross Property. In March 2024, Antofagasta terminated the earn-in agreement.

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6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Advances Received

The balances of excess funding the Company received as the operator of the project are as follows:

| | March 31, 2024 | December 31, 2023 |
|-------------------|-------------------|----------------------|
| | \$ | \$ |
| Chebistuan | 276,432 | 342,355 |
| Chicobi | 292,023 | 125,151 |
| Frotet | 2,593,225 | 2,225,390 |
| Hunter | - | 130,200 |
| O'Sullivan | 367,734 | 245,887 |
| Opinaca | 129,961 | - |
| Rupert | 204,222 | - |
| Separation Rapids | 233,779 | 257,050 |
| Tanacross | 134,393 | 435,310 |
| | 4,231,769 | 3,761,343 |

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | March 31, 2024 | December 31, 2023 |
|-----------------------|-------------------|----------------------|
| | \$ | \$ |
| Accounts payable | 868,199 | 831,142 |
| Accrued liabilities | 104,977 | 758,285 |
| Payroll taxes payable | 28,766 | 43,027 |
| | 1,001,942 | 1,632,454 |

8. SHARE CAPITAL AND RESERVES

Authorized Share Capital

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

Issued Share Capital

During the year ended December 31, 2023:

- The Company issued 128,077 common shares in connection to the property option agreements for the South Uchi Property valued at \$100,000 (Note 6).
- The Company issued 800,000 common shares in connection with the exercise of stock options for proceeds of \$60,000. The Company reallocated \$37,617 from reserves to share capital in connection with the exercise of these options.
- The Company issued 42,476 common shares to SMMCL at a weighted average price of \$0.76 per share for proceeds of \$32,154 in connection to the investor rights agreements as part of the strategic investment by SMMCL.

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8. SHARE CAPITAL AND RESERVES (continued)

Issued Share Capital (continued)

During the three months ended March 31, 2024:

- a) The Company issued 214,287 common shares in connection to the property option agreements for the Stormy Lake Property valued at \$150,001 (Note 6).
- b) The Company issued 911,836 common shares in connection with the cashless exercise of 1,260,000 stock options. The Company reallocated \$184,089 from reserves to share capital in connection with the exercise of these options.
- c) The Company issued 587,853 common shares in connection with the exercise of warrants for proceeds of \$411,497. The Company reallocated \$460,301 from reserves to share capital in connection with the exercise of these options.
- d) The Company issued 91,484 common shares to SMMCL at a weighted average price of \$0.75 per share for proceeds of \$68,730 in connection to the investor rights agreements as part of the strategic investment by SMMCL.

Stock Options

In September 2023, the Company adopted an omnibus share incentive plan (the "Incentive Plan") for the issuance of stock options, restricted share units, performance share units, and deferred share units to its officers, directors, employees and consultants ("Awards"). Awards are non-transferable and the aggregate number of shares that may be reserved for issuance pursuant to Awards may not exceed 12,707,605 shares at the time of granting. The exercise price and vesting terms of such Awards are determined by the Board of Directors of the Company at the time of grant.

In January 2023, the Company granted 2,850,000 stock options with a total value of \$1,984,459 to directors, officers, employees, and consultants of the Company. All options granted are exercisable at a price of \$0.82 per share for a period of five years. The options vest one-third immediately, followed by one-third every year thereafter.

In May 2023, 50,000 stock options were cancelled, as a result, the Company reclassified \$14,942 attributed to these options from reserves to retained earnings.

In January 2024, the Company granted 2,180,000 stock options with a total value of \$851,033 to directors, officers, employees and consultant of the Company. All options granted are exercisable at a price of \$0.75 per share for a period of five years. The options vest one-third immediately, followed by one-third every year thereafter.

During the three months ended March 31, 2024, the Company recognized share-based compensation of \$479,283 (March 31, 2023 - \$916,299).

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Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars - Unaudited)

8. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the valuation of the stock options granted:

| | For the three months ended March 31, | |
|--|--------------------------------------|---------|
| | 2024 | 2023 |
| Risk-free interest rate | 3.43% | 2.88% |
| Dividend yield | Nil | Nil |
| Expected life | 5 years | 5 years |
| Volatility | 57% | 125% |
| Weighted average fair value per option granted | \$0.39 | \$0.70 |

Stock option transactions are summarized as follows:

| | Number of Stock Options | Weighted Average Exercise Price \$ |
|--------------------------------|----------------------------|--|
| Balance, December 31, 2022 | 7,979,997 | 0.36 |
| Granted | 2,850,000 | 0.82 |
| Cancelled | (50,000) | 0.82 |
| Exercised | (800,000) | 0.075 |
| Balance, December 31, 2023 | 9,979,997 | 0.51 |
| Granted | 2,180,000 | 0.75 |
| Exercised * | (1,260,000) | 0.20 |
| Balance, March 31, 2024 | 10,899,997 | 0.59 |

* In accordance with the Incentive Plan, 1,260,000 stock options were exercised on a cashless basis (net exercise) for the issuance of 911,836 common shares.

A summary of the stock options outstanding and exercisable at March 31, 2024 is as follows:

| Number of Stock Options Outstanding | Number of Stock Options Exercisable | Exercise Price \$ | Expiry Date |
|---|---|----------------------|--------------------|
| 249,997 | 249,997 | 0.70 | August 22, 2024 |
| 200,000 | 200,000 | 0.25 | September 15, 2024 |
| 80,000 | 80,000 | 0.075 | October 2, 2024 |
| 600,000 | 600,000 | 0.15 | December 1, 2024 |
| 2,500,000 | 2,500,000 | 0.25 | March 2, 2025 |
| 400,000 | 400,000 | 0.15 | July 1, 2025 |
| 640,000 | 640,000 | 1.00 | February 4, 2026 |
| 1,250,000 | 1,250,000 | 0.70 | February 14, 2027 |
| 2,800,000 | 1,866,666 | 0.82 | January 20, 2028 |
| 2,180,000 | 726,666 | 0.75 | January 23, 2029 |
| 10,899,997 | 8,513,329 | | |

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8. SHARE CAPITAL AND RESERVES (continued)

Share Purchase Warrants

During the year ended December 31, 2023, 428,571 warrants expired unexercised, as a result, the Company reclassified \$320,901 attributed to these warrants from reserves to retained earnings.

During the three months ended March 31, 2024, 412,141 warrants expired unexercised, as a result, the Company reclassified \$322,715 attributed to these warrants from reserves to retained earnings.

Warrant transactions are summarized as follows:

| | Number of Warrants | Weighted Average Exercise Price |
|--------------------------------|-----------------------|---------------------------------------|
| | | \$ |
| Balance, December 31, 2022 | 1,428,565 | 0.70 |
| Expired | <u>(428,571)</u> | 0.70 |
| Balance, December 31, 2023 | 999,994 | 0.70 |
| Exercised | (587,853) | 0.70 |
| Expired | <u>(412,141)</u> | 0.70 |
| Balance, March 31, 2024 | - | - |

9. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2024, the Company entered into the following transactions with related parties, not disclosed elsewhere in the condensed interim consolidated financial statements.

- The Company earned revenue of \$1,635 (March 31, 2023 - \$5,134) and rent reimbursement of \$8,316 (March 31, 2023 - \$nil) from a company related by way of a common officer and a common director. As at March 31, 2024, \$4,687 (December 31, 2023 - \$2,075) was included in receivables owing from this company.
- The Company received reimbursement of rent of \$2,700 (March 31, 2023 - \$nil) and reimbursement of consulting fees of \$11,889 (March 31, 2023 - \$nil) from Prospector. As at March 31, 2024, \$11,889 (December 31, 2023 - \$nil) was included in receivables owing from this company.
- As at March 31, 2024, \$nil (December 31, 2023 - \$238,617) was included in accounts payable and accrued liabilities owing to officers and a director of the Company in relation to salaries and benefits and reimbursement of expenses.

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers and related companies. Summary of key management personnel compensation (includes officers and directors of the Company) is as follows:

| | For the three months ended March 31, | |
|--------------------------|--------------------------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Management fees | 16,500 | 16,500 |
| Salaries and benefits | 182,375 | 173,250 |
| Share-based compensation | 249,213 | 559,178 |
| | 448,088 | 748,928 |

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10. FINANCIAL INSTRUMENTS

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

- 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 or indirectly; and
- Level 3 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The fair value of the Company's cash and cash equivalents, receivables, accounts payable and accrued liabilities, and advances received approximates their carrying values. The Company's listed company investments are measured at fair value using Level 1 inputs. The Company's private company investments and investments in warrants are measured at fair value using Level 3 inputs. The carrying value of the Company's lease liability is measured at the present value of the discounted future cash flows.

For Level 3 inputs, specific valuation techniques used to fair value financial instruments, specifically those that are not quoted in an active market, as such the Company utilized a market approach:

- The use of quoted market prices in active or other public markets.
- The use of most recent transactions of similar instruments.
- Changes in expected technical milestones of the investee.
- Changes in management, strategy, litigation matters or other internal matters.
- Significant changes in the results of the investee compared with the budget, plan, or milestone.

As at March 31, 2024, the Company's private company equity investments of \$1,747,149 (December 31, 2023 - \$1,747,149) were recorded at fair value based on the most recent equity transactions of the private companies. There were no transfers between levels 2 and 3 during the three months ended March 31, 2024 and the year ended December 31, 2023.

Financial Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) **Currency risk**

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in Canada and the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at March 31, 2024, the Company had a foreign currency net monetary asset position of approximately US\$145,000. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$14,500.

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Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars - Unaudited)

10. FINANCIAL INSTRUMENTS (continued)

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's cash and cash equivalents is held in a large Canadian financial institution. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk. The Company's sales tax receivable is due from the Government of Canada and Revenue Quebec therefore, the credit risk exposure is low.

As at March 31, 2024, the maximum exposure to credit risk is the carrying value of the trade accounts receivable. The Company has not provided for an expected credit loss as management believes the receivables are fully collectible.

c) Interest rate risk

The Company has cash and cash equivalents balances. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks or credit unions.

d) Commodity price risk

The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold. The Company monitors metals prices to determine the appropriate course of action to be taken.

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board are actively involved in the review, planning, and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

f) Market price risk

Market price risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments.

11. CAPITAL MANAGEMENT

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company's share capital is not subject to any external restrictions and the Company did not change its approach to capital management during the year.

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Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars - Unaudited)

12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

| | For the three months ended | |
|---|----------------------------|-----------|
| | March 31, | |
| | 2024 | 2023 |
| | \$ | \$ |
| Non-cash transactions | | |
| Exploration and evaluation asset expenditures in accounts payable | 783,503 | 3,268,630 |
| Shares issued for exploration and evaluation assets | 150,001 | - |
| Options exercised | 184,089 | - |
| Warrants exercised | 460,301 | - |
| Warrants expired | 322,715 | - |
| Value of shares received on sale of mineral properties | 167,891 | 2,845,293 |

13. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of mineral properties. Geographic information is as follows:

| | As at March 31, 2024 | | |
|-----------------------------------|----------------------|-----------|------------|
| | Canada | USA | Total |
| | \$ | \$ | \$ |
| Exploration and evaluation assets | 9,799,907 | 8,099,920 | 17,899,827 |
| Equipment | 39,760 | - | 39,760 |
| Right-of-use asset | 255,920 | - | 255,920 |
| | 10,095,587 | 8,099,920 | 18,195,507 |

| | As at December 31, 2023 | | |
|-----------------------------------|-------------------------|-----------|------------|
| | Canada | USA | Total |
| | \$ | \$ | \$ |
| Exploration and evaluation assets | 8,992,620 | 8,108,899 | 17,101,519 |
| Equipment | 42,253 | - | 42,253 |
| Right-of-use asset | 276,125 | - | 276,125 |
| | 9,310,998 | 8,108,899 | 17,419,897 |

14. SUBSEQUENT EVENTS

- a) In April and May 2024, the Company issued 150,000 common shares in connection with the exercise of stock options for proceeds of \$27,500.

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14. SUBSEQUENT EVENTS (continued)

- b) In May 2024, the Company entered into an option agreement with an arm's length vendor to acquire additional mining claims located in Ontario, Canada. Pursuant to the agreement, the terms are as follows:

| | Cash payment \$ |
|---------------------------------|----------------------------|
| Upon execution of the agreement | (paid) 10,000 |
| 1 st anniversary | 20,000 |
| 2 nd anniversary | 25,000 |
| 3 rd anniversary | 30,000 |
| Total Requirement | 85,000 |

Additionally, the option agreement is subject to a 2.0% net smelter return royalty with a 1.0% buyback provision, exercisable by the one-time payment of \$1,000,000 in cash.