



KENORLAND MINERALS LTD.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

TABLE OF CONTENTS

Notice of No Auditor Review	2
Condensed Interim Consolidated Financial Statements	
Condensed Interim Consolidated Statements of Financial Position	3
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)	4
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity	5
Condensed Interim Consolidated Statements Cash Flows	6
Notes to Condensed Interim Consolidated Financial Statements	7

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	June 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		33,275,244	25,430,198
Receivables	3, 10	1,077,650	3,207,733
Prepaid expenses		841,727	520,196
		35,194,621	29,158,127
Investments	4	2,688,171	2,780,312
Investment in associates	5	688,853	724,172
Exploration and evaluation assets and royalty	6	20,250,486	17,101,519
Equipment		39,575	42,253
Right-of-use assets		235,716	276,125
		59,097,422	50,082,508
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7, 10	951,901	1,632,454
Advances received	6	2,976,738	3,761,343
Current income tax liability		-	268,456
Current portion of lease liability		74,311	69,251
Flow-through premium liability	8	2,461,839	-
		6,464,789	5,731,504
Deferred income tax liability		1,686,000	1,686,000
Lease liability		179,332	217,705
		8,330,121	7,635,209
SHAREHOLDERS' EQUITY			
Share capital	8	39,837,060	30,848,698
Reserves	8	3,898,140	4,548,242
Retained earnings		7,032,101	7,050,359
		50,767,301	42,447,299
		59,097,422	50,082,508

Nature and continuance of operations (Note 1) and subsequent events (Note 15)

Approved and authorized for issuance by the Board of Directors on August 22, 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 Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars - Unaudited)

	Note	For the three months ended June 30,		For the six months ended June 30,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Revenue	10	331,763	947,545	1,474,610	1,523,790
Operating expenses					
Conference and marketing		76,049	18,802	152,522	95,249
Consulting		70,837	111,785	116,588	237,851
Depreciation		23,064	9,070	45,762	10,889
Foreign exchange loss (gain)		(9,148)	70,775	(32,000)	70,921
Insurance		14,762	18,092	29,560	36,057
Interest on lease liability		7,951	3,233	16,397	3,233
Management fees	10	16,500	16,500	33,000	33,000
Office expenses		70,715	94,334	153,577	159,758
Professional fees		147,105	37,340	241,999	61,613
Project generation		384	16,117	384	40,152
Salaries and benefits	10	533,547	470,449	1,115,966	979,722
Share-based compensation	8, 10	186,747	273,731	666,030	1,190,030
Transfer agent and filing fees		19,763	22,500	88,192	35,857
Travel and related		24,341	20,604	51,215	27,531
		(1,182,617)	(1,183,332)	(2,679,192)	(2,981,863)
Loss from operations		(850,854)	(235,787)	(1,204,582)	(1,458,073)
Other income (expenses)					
Gain on sales of mineral properties	4	-	125,000	167,891	2,916,521
Interest and other income		437,492	184,729	790,529	374,862
Net change in fair value of investments	4	27,680	1,628,638	(260,032)	(2,693,914)
Gain on sale of investments	4	-	28,517	-	28,517
Equity loss in investment in associates	5	(13,617)	(53,447)	(35,319)	(73,126)
Dilution gain in investment in associates	5	-	43,816	-	43,816
Impairment of exploration and evaluation assets	6	(53,807)	(61,966)	(53,807)	(84,171)
Loss on disposal of equipment		-	(7,949)	-	(7,949)
		397,748	1,887,338	609,262	504,556
Income (loss) and comprehensive income (loss) before income taxes		(453,106)	1,651,551	(595,320)	(953,517)
Recovery of income tax (expense)		254,347	96,886	254,347	(442,114)
Recovery of deferred income tax		-	-	-	537,000
Net income (loss) for the period		(198,759)	1,748,437	(340,973)	(858,631)
Earnings (loss) per common share (Note 9)					

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
Shares issued for cash	20,006	15,598	-	-	15,598
Options exercised	200,000	21,853	(6,853)	-	15,000
Options expired	-	-	(14,942)	14,942	-
Shares issued for exploration and evaluation assets	128,077	100,000	-	-	100,000
Share-based compensation	-	-	1,190,030	-	1,190,030
Net loss for the period	-	-	-	(858,631)	(858,631)
Balance, June 30, 2023	62,938,029	30,756,378	4,393,483	10,286,206	45,436,067
Shares issued for cash	22,470	16,556	-	-	16,556
Options exercised	600,000	75,764	(30,764)	-	45,000
Warrants expired	-	-	(320,901)	320,901	-
Share-based compensation	-	-	506,424	-	506,424
Net loss for the period	-	-	-	(3,556,748)	(3,556,748)
Balance, December 31, 2023	63,560,499	30,848,698	4,548,242	7,050,359	42,447,299
Shares issued for cash	8,407,355	7,469,855	-	-	7,469,855
Share issuance costs	-	(63,908)	-	-	(63,908)
Options exercised	2,352,396	560,616	(533,116)	-	27,500
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	-	-	666,030	-	666,030
Net loss for the period	-	-	-	(340,973)	(340,973)
Balance, June 30, 2024	75,122,390	39,837,060	3,898,140	7,032,101	50,767,301

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 six months ended June 30,	
	2024	2023
	\$	\$
Cash flows used in operating activities		
Net loss for the period	(340,973)	(858,631)
Adjustments for items not affecting cash and cash equivalents		
Depreciation	45,762	10,889
Net change in fair value of investments	260,032	2,693,914
Gain on sale of investments	-	(28,517)
Gain on sale of mineral properties	(167,891)	(2,791,521)
Share-based compensation	666,030	1,190,030
Interest on lease liability	16,397	3,233
Equity loss in investment in associates	35,319	73,126
Dilution gain in investment in associates	-	(43,816)
Deferred income tax recovery	-	(537,000)
Impairment of exploration and evaluation assets	53,807	84,171
Loss on disposal of equipment	-	7,949
Change in non-cash working capital items		
Receivables	2,130,083	(1,156,575)
Prepaid expenses	(321,531)	442,109
Accounts payable and accrued liabilities	(580,926)	(1,017,379)
Current income tax liability	(268,456)	42,114
	1,527,653	(1,885,904)
Cash flows used in investing activities		
Exploration and evaluation assets expenditures	(9,532,708)	(11,594,325)
Advances received for exploration and evaluation assets expenditures	5,595,703	10,293,480
Option and sale proceeds received	-	250,000
Purchase of equipment	(2,675)	(35,101)
Purchase of investments	-	(240,000)
Proceeds from sales of investments	-	268,517
Proceeds from sales of investment in associates	-	50,000
	(3,939,680)	(1,007,429)
Cash flows provided by financing activities		
Shares issued for cash	9,931,694	15,598
Share issuance costs	(63,908)	-
Options exercised	27,500	15,000
Warrants exercised	411,497	-
Repayment of lease liability	(49,710)	(8,267)
	10,257,073	22,331
Change in cash and cash equivalents during the period	7,845,046	(2,871,002)
Cash and cash equivalents, beginning of the period	25,430,198	24,133,235
Cash and cash equivalents, end of the period	33,275,244	21,262,233
Supplemental disclosure with respect to cash flows (Note 13)		

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 and six months ended June 30, 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 June 30, 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 and six months ended June 30, 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 August 22, 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	
		June 30, 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 and six months ended June 30, 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 influence over companies, going concern of operations, accounting and impairment of royalty interests, valuation of share-based compensation, recognition of deferred tax amounts, and fair value of private company investments.

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 and six months ended June 30, 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.

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 and six months ended June 30, 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

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.

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 and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

2. MATERIAL ACCOUNTING POLICIES (continued)

Flow-through shares

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid, if any, for the flowthrough shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss on a pro-rata basis at the same time the qualifying expenditures are made.

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

	June 30, 2024	December 31, 2023
	\$	\$
Accounts receivable	133,199	142,334
Accrued receivable	538,108	538,108
Sales tax receivable	406,343	2,527,291
	1,077,650	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	(4,200)	-	(55,575)	(200,257)	-	-	-	-	(260,032)
Balance as at June 30, 2024	27,300	-	361,234	552,488	-	106,612	40,537	1,600,000	2,688,171

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

4. INVESTMENTS (continued)

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.

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	(35,319)	-	(35,319)
Balance as at June 30, 2024	688,853	-	688,853

Prospector Royalty Corp.

As at June 30, 2024, the Company held 39.38% (December 31, 2023: 39.38%) interest in Prospector Royalty Corp. (“Prospector”).

Prospector’s financial information as at December 31, 2023 and June 30, 2024 and loss and comprehensive loss for the year ended December 31, 2023 and for the six months ended June 30, 2024 are as follows:

	June 30, 2024	December 31, 2023
	\$	\$
Cash	1,390,932	1,585,969
Other current assets	12,236	65,784
Non-current assets	359,000	226,500
Total assets	1,762,168	1,878,253
Current liabilities	(12,702)	(39,087)
Net assets	1,749,466	1,839,166
Loss and comprehensive loss for the period	(89,700)	(99,037)
Company’s share of loss during the period	(35,319)	(38,996)

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 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	-	-	-	-	-	310,001	-	-
Exploration expenditures:								
Assays	14,818	24,561	197,615	47,717	157,610	7,374	7,620	-
Camp and heavy equipment	6,825	80,916	77,253	107,499	126,245	26,086	-	-
Consulting and personnel	16,542	117,486	654,590	199,335	506,064	167,255	6,297	-
Drilling	12,000	398,005	1,108,578	1,016,605	654,036	-	-	-
Fuel	753	330	67,561	4,093	4,122	82,422	-	-
Geophysics	-	-	-	-	-	218,063	-	1,196,065
Helicopter and fixed wing	-	-	-	-	-	-	-	-
Site development and reclamation	932	2,650	10,235	36,724	345	80,082	-	19,684
Staking and claim maintenance	3,173	1,405	-	2,493	2,004	481,125	15,751	23,411
Supplies	18,000	11,986	125,553	50,696	94,967	19,469	-	-
Travel and accommodations	4,825	1,015	43,958	9,568	35,461	41,333	-	10,593
	77,868	638,354	2,285,343	1,474,730	1,580,854	1,433,210	29,668	1,249,753
Contribution received from optionees	(77,868)	-	-	(1,474,730)	(1,580,854)	-	(29,668)	-
Contribution from joint venture partner	-	(638,354)	(2,285,343)	-	-	-	-	-
Government grant	-	-	-	-	-	-	-	(100,000)
Impairment of exploration and evaluation assets	-	-	-	-	-	(53,807)	-	-
Transfer of the Frotet Royalty	-	-	(3,682,353)	-	-	-	-	-
Balance as at June 30, 2024	214,708	82,107	-	226,208	280,811	4,279,701	-	1,487,167

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(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	-	310,001	50,000	-	50,000	360,001	-	360,001
Exploration expenditures:								
Assays	297,263	754,578	11,610	1,158	12,768	767,346	-	767,346
Camp and heavy equipment	47,169	471,993	72,451	-	72,451	544,444	-	544,444
Consulting and personnel	154,092	1,821,661	183,179	-	183,179	2,004,840	-	2,004,840
Drilling	-	3,189,224	-	-	-	3,189,224	-	3,189,224
Fuel	3,728	163,009	14,201	-	14,201	177,210	-	177,210
Geophysics	92,400	1,506,528	-	-	-	1,506,528	-	1,506,528
Helicopter and fixed wing	-	-	-	-	-	-	-	-
Site development and reclamation	24,234	174,886	2,967	-	2,967	177,853	-	177,853
Staking and claim maintenance	19,164	548,526	-	67	67	548,593	-	548,593
Supplies	27,685	348,356	25,605	-	25,605	373,961	-	373,961
Travel and accommodations	26,329	173,082	-	-	-	173,082	-	173,082
	692,064	9,461,844	360,013	1,225	361,238	9,823,082		9,823,082
Contribution received from optionees	-	(3,163,120)	(293,491)	-	(293,491)	(3,456,611)	-	(3,456,611)
Contribution from joint venture partner	-	(2,923,697)	-	-	-	(2,923,697)	-	(2,923,697)
Government grant	(140,000)	(240,000)	-	-	-	(240,000)	-	(240,000)
Impairment of exploration and evaluation assets	-	(53,807)	-	-	-	(53,807)	-	(53,807)
Transfer of the Frotet Royalty	-	(3,682,353)	-	-	-	(3,682,353)	3,682,353	-
Balance as at June 30, 2024	1,820,785	8,391,487	1,640,569	6,536,077	8,176,646	16,568,133	3,682,353	20,250,486

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024
(Expressed in Canadian Dollars - Unaudited)

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 June 30, 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.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024
(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 into an earn in and joint venture exploration agreement with SMMCL. 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.

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% net smelter return royalty 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 Royalty 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 of 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.

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.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024
(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Hunter Property, Quebec, Canada (continued)

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, 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.

Other Properties, Canada

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

During the six months ended June 30, 2024, the Company decided not to renew some of the mineral claims in Manitoba. As a result, the Company recorded an impairment of exploration and evaluation assets of \$53,807.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS AND ROYALTY (continued)

Other Properties, Canada (continued)

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 a 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 a one-time payment of \$1,000,000 in cash.

In March and May 2024, the Company entered into four 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:

	Total cash payment (\$)
Upon execution of agreement or extension of the claim anniversary	(paid) 85,000
1 st anniversary	145,000
2 nd anniversary	225,000
3 rd anniversary	330,500
4 th anniversary	300,000
Total Requirement	1,085,500

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

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

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. ("Double O Seven"), a private British Columbia company. Pursuant to the agreement, Double O Seven can earn up to a 100% interest in the Separation Rapids Property. In May 2024, Double O Seven terminated the property option agreement. In July 2024, the Company decided not to renew the Separation Rapids Property.

South Thompson Property, Manitoba, Canada

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

In July 2024, the Company entered into a definitive purchase and sale agreement to sell the South Thompson Property to Evolution Nickel Corporation, an Ontario private company (Note 15).

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 two 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.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

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:

	June 30, 2024	December 31, 2023
	\$	\$
Chebistuan	264,487	342,355
Chicobi	142,189	125,151
Frotet	434,332	2,225,390
Hunter	287,808	130,200
O'Sullivan	194,602	245,887
Opinaca	1,363,940	-
Rupert	63,071	-
Separation Rapids	226,309	257,050
Tanacross	-	435,310
	2,976,738	3,761,343

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2024	December 31, 2023
	\$	\$
Accounts payable	378,956	831,142
Accrued liabilities	357,218	758,285
Payroll taxes payable	215,727	43,027
	951,901	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 with 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 with the investor rights agreements as part of the strategic investment by SMMCL.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2024
(Expressed in Canadian Dollars - Unaudited)

8. SHARE CAPITAL AND RESERVES (continued)

Issued Share Capital (continued)

During the six months ended June 30, 2024:

- a) The Company issued 214,287 common shares in connection with the property option agreements for the Stormy Lake Property valued at \$150,001 (Note 6).
- b) The Company issued 2,202,396 common shares in connection with the cashless exercise of 2,967,142 stock options and issued 150,000 common shares in connection with the cash exercise of 150,000 stock options for proceeds of \$27,500. The Company reallocated \$533,116 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 with the investor rights agreements as part of the strategic investment by SMMCL.
- e) The Company closed a flow-through financing and issued 8,315,871 common shares at a weighted average price of \$1.19 per share for aggregate gross proceeds of \$9,862,964. The Company incurred expenses of \$63,908 related to the financing. The flow-through common shares had an associated flow-through premium liability of \$2,461,839 on issuance.

Flow-Through Premium Liability

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	Liability portion of the flow-through share issuance
	\$
Balance, December 31, 2022 and 2023	-
Flow-through premium liability	2,461,839
Balance, June 30, 2024	2,461,839

The Company is required to incur \$9,862,964 of eligible exploration and evaluation expenditures by December 31, 2025 in connection with the issuance of flow-through shares in May 2024.

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.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

8. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

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 six months ended June 30, 2024, the Company recognized share-based compensation of \$666,030 (June 30, 2023 - \$1,190,030).

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

	For the six months ended June 30,	
	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 *	(3,117,142)	0.22
Balance, June 30, 2024	9,042,855	0.67

* In accordance with the Incentive Plan, 2,967,142 stock options were exercised on a cashless basis (net exercise) for the issuance of 2,202,396 common shares.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

8. SHARE CAPITAL AND RESERVES (continued)

Stock Options (continued)

A summary of the stock options outstanding and exercisable at June 30, 2024 is as follows:

Number of Stock Options Outstanding	Number of Stock Options Exercisable	Exercise Price	Expiry Date
		\$	
142,855	142,855	0.70	August 22, 2024
200,000	200,000	0.25	September 15, 2024
380,000	380,000	0.15	December 1, 2024
1,450,000	1,450,000	0.25	March 2, 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
9,042,855	6,656,187		

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 six months ended June 30, 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	(428,571)	0.70
Balance, December 31, 2023	999,994	0.70
Exercised	(587,853)	0.70
Expired	(412,141)	0.70
Balance, June 30, 2024	-	-

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

9. EARNINGS (LOSS) PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Numerator				
Income (loss) for the period	\$ (198,759)	\$ 1,748,437	\$ (340,973)	\$ (858,631)
Denominator				
For basic-weighted average number of common shares outstanding	68,626,068	62,736,620	66,273,419	62,663,507
Effect of dilutive stock options, warrants and restricted share units	-	4,469,317	-	-
For diluted weighted average number of common shares outstanding	68,626,068	67,205,577	66,273,419	62,633,507
Earnings (loss) per common share				
Basic	\$ (0.00)	\$ 0.03	\$ (0.01)	\$ (0.01)
Diluted	\$ (0.00)	\$ 0.03	\$ (0.01)	\$ (0.01)

10. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 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 \$11,924 (June 30, 2023 - \$19,187) and rent reimbursement of \$17,532 (June 30, 2023 - \$2,321) from a company related by way of a common officer and a common director. As at June 30, 2024, \$13,748 (December 31, 2023 - \$2,075) was included in receivables owing from this company.
- The Company received reimbursement of rent of \$5,400 (June 30, 2023 - \$900) and reimbursement of consulting fees of \$23,526 (June 30, 2023 - \$nil) from Prospector. As at June 30, 2024, \$11,637 (December 31, 2023 - \$nil) was included in receivables owing from this company.
- As at June 30, 2024, \$28,432 (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 six months ended June 30,	
	2024	2023
	\$	\$
Management fees	33,000	33,000
Salaries and benefits	364,750	346,500
Share-based compensation	351,242	739,181
	748,992	1,118,681

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

11. 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 June 30, 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 six months ended June 30, 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 June 30, 2024, the Company had a foreign currency net monetary asset position of approximately US\$644,000. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$64,400.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

11. 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 June 30, 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.

12. 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 period.

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	For the six months ended June 30,	
	2024	2023
	\$	\$
Non-cash transactions		
Exploration and evaluation asset expenditures in accounts payable	395,465	1,456,841
Shares issued for exploration and evaluation assets	150,001	100,000
Flow-through premium liability	2,461,839	-
Options exercised	533,116	6,853
Options cancelled	-	14,942
Warrants exercised	460,301	-
Warrants expired	322,715	-
Value of shares received on sale of mineral properties	167,891	2,845,293

14. SEGMENTED INFORMATION

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

	As at June 30, 2024		
	Canada	USA	Total
	\$	\$	\$
Exploration and evaluation assets	12,073,840	8,176,646	20,250,486
Equipment	39,575	-	39,575
Right-of-use asset	235,716	-	235,716
	12,349,131	8,176,646	20,525,777

	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

KENORLAND MINERALS LTD.

Notes to Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024

(Expressed in Canadian Dollars - Unaudited)

15. SUBSEQUENT EVENTS

- a) In July 2024, the Company entered into a definitive purchase and sale agreement (the "Agreement") with Evolution Nickel Corporation ("Evolution"), an Ontario private company. Pursuant to the Agreement, Evolution will acquire 100% of the South Thompson Property by issuing 26,000,000 common shares of Evolution (for a 50% equity ownership interest prior to the closing of the Financing (as defined below)) to Kenorland and grant Kenorland a 2% net smelter return royalty over the entirety of the South Thompson Property at closing of the transaction ("Closing").

In addition to customary conditions precedent for a transaction of this nature, including the prior approval of the TSX-V, Closing is conditional upon Evolution completing an equity financing for gross proceeds of not less than \$4,000,000 (the "Financing"). Closing is expected to occur prior to December 31, 2024.

- b) Subsequent to June 30, the Company issued 39,118 common shares in connection with the cashless exercise of 134,285 stock options and issued 64,285 common shares in connection with the cash exercise of 64,285 stock options for proceeds of \$45,000.