

**KO GOLD INC.**

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**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the nine months ended December 31, 2024 and 2023**

**EXPRESSED IN CANADIAN DOLLARS**

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## **NOTICE TO READER**

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

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these condensed interim consolidated 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.

**KO GOLD INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL**  
**POSITION**

*(unaudited, expressed in Canadian dollars)*

As at	December 31 2024	March 31 2024
<b>ASSETS</b>		
Current		
Cash	\$ 85,291	\$ 779,576
Sales tax receivable	35,563	45,867
Prepaid expenses and deposits	6,768	37,992
	\$ 127,622	\$ 863,435
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 583,034	\$ 265,863
Loans payable (notes 7, 12)	20,000	20,000
	603,034	285,863
<b>EQUITY</b>		
Share capital (note 8)	3,917,475	3,917,475
Warrants (note 9)	432,893	432,893
Contributed surplus	495,461	461,858
Deficit	(5,322,577)	(4,229,293)
Accumulated other comprehensive income	1,336	(5,361)
	(475,412)	577,572
	\$ 127,622	\$ 863,435

**Nature of operations and going concern (note 1)**  
**Commitments and contingencies (note 11)**

**Approved by the Board of Directors:**

**"Gregory Isenor"**

Director (Signed)

**" Paul Teniere"**

Director (Signed)

*See accompanying notes.*

**KO GOLD INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

*(unaudited, expressed in Canadian dollars)*

	Three months ended		Nine months ended	
	<b>December 31, 2024</b>	December 31, 2023	<b>December 31, 2024</b>	December 31, 2023
<b>Expenses</b>				
Corporate and administrative (notes 10, 12)	\$ 215,904	\$ 156,030	\$ 589,038	\$ 269,772
Exploration and evaluation (note 11)	103,636	998,383	470,689	1,114,540
Share-based payments (note 8)	5,252	-	33,603	-
<b>Net loss</b>	<b>(324,792)</b>	<b>(1,154,413)</b>	<b>(1,093,330)</b>	<b>(1,384,312)</b>
<b>Other income (expense)</b>				
Interest income	13	-	46	-
Foreign exchange loss	-	(21)	-	(21)
<b>Total other items</b>	<b>13</b>	<b>(21)</b>	<b>46</b>	<b>(21)</b>
<b>NET loss for the period</b>	<b>(324,779)</b>	<b>(1,154,434)</b>	<b>(1,093,284)</b>	<b>(1,384,333)</b>
<b>Other comprehensive Income</b>				
Foreign currency translation adjustment	6,778	(196)	6,697	(1,572)
<b>Comprehensive loss</b>	<b>\$ (318,001)</b>	<b>\$ (1,154,630)</b>	<b>\$ (1,086,587)</b>	<b>\$(1,385,905)</b>
<b>Basic and diluted loss per share (note 13)</b>	<b>\$ (0.014)</b>	<b>\$ (0.068)</b>	<b>\$ (0.047)</b>	<b>\$ (0.087)</b>
<b>Weighted average number of common shares outstanding:</b>				
<b>Basic and diluted</b>	<b>23,027,960</b>	<b>16,899,582</b>	<b>23,027,960</b>	<b>15,967,514</b>

*See accompanying notes.*

**KO GOLD INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

*(unaudited, expressed in Canadian dollars)*

	Share capital		Warrants	Contributed	Deficit	Accumulated comprehensive		Total
	Number #	Amount \$		Surplus \$		Income (loss) \$	Total \$	
Balance, March 31, 2023	15,427,500	\$ 2,149,836	\$ 5,900	\$ 35,287	\$(1,779,032)	\$ 790	\$	412,781
Shares issued for Hyde Resources (note 8)	3,500,000	875,000	-	-	-	-	-	875,000
Shares issued for debt (note 8)	140,560	35,140	-	-	-	-	-	35,140
Deposit on shares to be issued	-	24,750	-	-	-	-	-	24,750
Warrants expired	-	-	(5,750)	5,750	-	-	-	-
Net loss for the period	-	-	-	-	(1,384,333)	-	-	(1,384,333)
Foreign currency translation adjustment	-	-	-	-	-	(1,572)	-	(1,572)
Balance, December 31, 2023	19,068,060	\$ 3,084,726	\$ 150	\$ 41,037	\$(3,163,365)	\$ (782)	\$	(38,234)
Units issued by private placements (notes 8, 9)	3,363,772	682,416	427,629	-	-	-	-	1,110,045
Shares issued for mineral properties (note 8)	595,238	237,155	-	-	-	-	-	237,155
Broker/finder warrants (notes 8, 9)	-	(5,264)	5,264	-	-	-	-	-
Share issuance costs	-	(81,859)	-	-	-	-	-	(81,859)
Exercise of warrants (notes 8, 9)	890	301	(79)	-	-	-	-	222
Warrants expired	-	-	(71)	71	-	-	-	-
Share-based payments (note 8)	-	-	-	420,750	-	-	-	420,750
Net loss for the period	-	-	-	-	(1,065,928)	-	-	(1,065,928)
Foreign currency translation adjustment	-	-	-	-	-	(4,775)	-	(4,775)
Balance, March 31, 2024	23,027,960	\$ 3,917,475	\$432,893	\$461,858	\$(4,229,293)	\$ (5,361)	\$	577,572
Share-based payments (note 8)	-	-	-	33,603	-	-	-	33,603
Net loss for the period	-	-	-	-	(1,093,284)	-	-	(1,093,284)
Foreign currency translation adjustment	-	-	-	-	-	6,697	-	6,697
<b>Balance, December 31, 2024</b>	<b>23,027,960</b>	<b>\$ 3,917,475</b>	<b>\$432,893</b>	<b>\$495,461</b>	<b>\$(5,322,577)</b>	<b>\$ 1,336</b>	<b>\$</b>	<b>\$(475,412)</b>

See accompanying notes.

**KO GOLD INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS***(unaudited, expressed in Canadian dollars)*

<b>Nine months ended December 31,</b>	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Loss for the period	\$ (1,093,284)	\$ (1,384,333)
Adjustments to reconcile loss to net cash used:		
Share-based payments	33,603	-
Shares issued for Hyde Resources (notes 6, 9)	-	875,000
Net changes in non-cash working capital items	(1,059,681)	(509,333)
Sales tax receivable	10,304	4,070
Prepaid expenses and deposits	31,224	(14,600)
Accounts payable and accrued liabilities	317,171	94,847
Net cash used in operating activities	(700,982)	(425,016)
<b>Financing activities</b>		
Loan Proceeds	-	60,000
Deposit on shares to be issued	-	24,750
Net cash provided by financing activities	-	84,750
Effect of exchange rate changes on cash	6,697	(1,572)
<b>Net change in cash</b>	<b>(700,982)</b>	<b>(341,838)</b>
Cash, beginning of period	779,576	511,240
<b>Cash, end of period</b>	<b>\$ 85,291</b>	<b>\$ 169,402</b>
<b>Supplemental disclosure</b>		
Shares issued for debt	\$ -	\$ 35,140

*See accompanying notes.*

## **KO GOLD INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*(unaudited, expressed in Canadian dollars)*

**For the nine months ended December 31, 2024 and 2023**

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

KO Gold Inc. (the “Company”) is in the business of acquiring and exploring mineral properties in New Zealand and became a public issuer on September 18, 2023. On October 11, 2023, the Company’s common shares were listed for trading on the Canadian Securities Exchange (CSE) under the symbol “KOG”. The address of the Company’s registered office is 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

##### Going Concern

The business of exploration, development and mining of minerals involves a high degree of risk and there can be no assurances that future exploration activities will result in the discovery of economically recoverable mineral deposits. The success and continuation of the Company as a going concern is dependent upon the Company’s ability to arrange financing, which in part, depends on prevailing market conditions, acquiring or discovering economically viable mineral properties, exploration success, and securing title and beneficial interest in its properties.

Further funds will be required for the Company to continue as a going concern, fulfil its obligations and fund its activities. The Company does not produce revenues from its exploration activities or have a regular source of cash flow. There can be no assurance that the Company will be able to obtain sufficient financing in the future or at favourable terms.

As at December 31, 2024, the Company had working capital deficit of \$475,412 (March 31, 2024 – working capital \$577,572), incurred losses for the current nine-month period of \$1,093,284 (December 31, 2023 - \$1,384,333), and, had an accumulated deficit of \$5,322,577 (March 31, 2024 - \$4,229,293).

These condensed interim consolidated financial statements have been prepared using accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, due to uncertainties surrounding a number of factors, such as, but not limited to, the ability to raise additional funds, ability to acquire mineral properties, exploration results, prices of underlying commodities, investor sentiment and financial market conditions, it is not possible to predict if this assumption will prove to be accurate. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

#### **2. BASIS OF PREPARATION**

##### **Statement of Compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

These unaudited condensed interim consolidated financial statements for the nine-month period ended December 31, 2024, were approved and authorized for issue by the Company’s board of directors on February 20, 2024.

## **KO GOLD INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*(unaudited, expressed in Canadian dollars)*

**For the nine months ended December 31, 2024 and 2023**

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#### **BASIS OF PREPARATION (continued)**

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its two wholly-owned New Zealand domiciled subsidiaries: KO Gold NZ Limited and Hyde Resources Limited (“Hyde”). The results of Hyde are from the date of acquisition of November 27, 2023. All significant inter-company transactions and balances have been eliminated upon consolidation.

#### **Basis of Consolidation and Presentation**

These condensed interim consolidated financial statements are prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company’s functional currency. The functional currency of the Company’s subsidiaries is the New Zealand dollar.

These condensed interim consolidated financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company’s audited 2024 annual consolidated financial statements. These interim results are not necessarily indicative of the results that may be anticipated for the entire fiscal year.

### **3. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires the Company’s management to make certain estimates and judgements that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. Despite regular reviews, changes in circumstances and assumptions may result in changes in these estimates and judgements, which could materially impact the reported amount of the Company’s assets, liabilities, equity or earnings. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates.

Significant estimates relate to:

- measurement of share-based payments and warrant valuation;
- measurement of shares issued to settle debt;
- measurement of shares issued to acquire Hyde Resources Limited and mineral properties;
- recognition of deferred tax assets and liabilities; and,
- establishment of provisions.

Significant judgements relate to:

- ability to continue as a going concern;
- functional currency of the Company and its subsidiaries;
- asset acquisition method for the purchase of Hyde Resources Limited; and,
- choice of accounting policy for exploration and evaluation.

### **4. MATERIAL ACCOUNTING POLICIES**

The Company’s accounting policies, as described in Note 4, Material Accounting Policies, of the Company’s audited annual consolidated financial statements for the year ended March 31, 2024, have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

## KO GOLD INC.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the nine months ended December 31, 2024 and 2023

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#### 5. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and the acquisition of other mineral properties for the benefit of its shareholders.

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure, the Company is dependent on equity funding. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors does not establish quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

There were no changes in the Company's management of its capital during the current nine-month period. The Company is not subject to any externally imposed capital requirements.

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31 2024	March 31 2024
Suppliers	\$ 495,639	\$ 199,586
Accrued liabilities	22,500	64,347
Related parties (note 12)	64,895	1,930
	<b>\$ 583,034</b>	<b>\$ 265,863</b>

#### 7. LOANS PAYABLE

In September 2023, the Company received unsecured and non-interest-bearing cash loans of \$60,000, of which \$10,000 was provided by Company directors/officers (note 12). These loans are payable on demand any time after October 1, 2024, though the Company has the right to prepay the loans at any time, without bonus or penalty. During fiscal 2024, the Company repaid a \$40,000 loan provided by a third party.

#### 8. SHARE CAPITAL

##### Authorized

Unlimited common shares

##### Special Shares

Unlimited and issuable in one or more series. The current rights attached to the special shares are: voting, with certain restrictions; preference over common shares with respect to payment of discretionary dividends declared; convertible into any class of special shares or common shares at a rate to be determined by the directors of the Company at their discretion. There have been no special shares issued.

## KO GOLD INC.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the nine months ended December 31, 2024 and 2023

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#### SHARE CAPITAL (continued)

##### Outstanding

On December 31, 2024, the Company had 23,027,960 (March 31, 2024 – 23,027,960) common shares outstanding at \$3,917,475 (March 31, 2024 - \$3,917,475) and Nil (March 31, 2024 - Nil) special shares outstanding at \$Nil (March 31, 2024 - \$Nil).

##### Share transactions:

- i) During the nine months period ended December 31, 2024.

There were no share transactions during the nine months period ending December 31, 2024.

- ii) During the year ended March 31, 2024

##### Shares and Units Issued – Private Placements

On January 10, 2024, the Company closed a non-brokered private placement for gross proceeds of \$1,110,045 by issuing 3,363,772 units at \$0.33 per unit. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.40 for a period of 24 months from the date of closing. The fair value of the unit warrants was estimated at \$427,629 using the relative fair value method.

In addition, the Company issued 21,000 finder warrants. Each finder warrant entitles the holder to purchase one common share at an exercise price of \$0.40 for a period of 24 months from the date of closing. The fair value of the finder warrants was estimated at \$5,264 using the Black-Scholes option pricing model.

##### Shares Issued – Debt Settlement

On June 30, 2023, the Company settled \$35,140 of payables by issuing 140,560 common shares at \$0.25 per share.

##### Shares Issued – Acquisition of Hyde Resources Limited

On November 27, 2023, the Company issued 3,500,000 common shares at \$0.25 per share pursuant to a share purchase agreement to acquire 100% of Hyde Resources Limited (note 11).

##### Shares Issued – Mineral Properties

On February 23, 2024, the Company issued 595,238 common shares at \$0.44 per share pursuant to an acquisition agreement to acquire the Garabaldi and Raggedy Range permits (note 11).

##### Shares Issued – Warrants

During the year ended March 31, 2024, the Company issued 890 common shares in connection to the exercise of 890 broker warrants for proceeds of \$222. The fair value of these warrants was \$79, which was transferred from the warrant reserve account.

**KO GOLD INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***(unaudited, expressed in Canadian dollars)***For the nine months ended December 31, 2024 and 2023****SHARE CAPITAL (continued)****Stock Options**

On September 29, 2024, the Company adopted a stock option plan ("Plan") that authorizes the Company to issue up to a maximum of 10% of its issued common shares with an exercise period not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Company's Board of Directors at the time of grant.

Stock option transactions since inception of the Plan and the number of stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, March 31, 2023	-	\$0.00
Granted (i)	1,800,000	0.45
Balance, March 31, 2024	1,800,000	\$0.45
Granted (ii)	150,000	0.45
<b>Balance, December 31, 2024</b>	<b>1,950,000</b>	<b>\$0.45</b>

(i) On March 12, 2024, the Company granted 1,800,000 stock options to directors, officers and consultants. All of these options were issued with an exercise price of \$0.45 and a two-year term, expiring on March 12, 2026. All of the option vested immediately.

(ii) On April 1, 2024, the Company granted 150,000 stock options to an investor relations consultant. These options were issued with an exercise price of \$0.45 and a two-year term, expiring on April 1, 2026. The options vest in instalments of 37,500 options every three months

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	April 01, 2024	March 31 2024
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	120%	122%
Risk-free rate of return	4.13%	4.00%
Expected life	2 Years	2 Years
Share price	\$0.40	\$0.39

Share-based payment expense recognized for the current nine-month period ended December 31, 2024 was \$33,603 (December 31, 2023 - \$nil). The offsetting credit was charged to contributed surplus. Consultants' options were measured using the Black-Scholes option pricing model due to the absence of a reliable measurement of the services granted.

**KO GOLD INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***(unaudited, expressed in Canadian dollars)***For the nine months ended December 31, 2024 and 2023****Stock Options (continued)**

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
March 12, 2026	1,800,000	\$0.45	1,800,000	1.19
April 01, 2026	150,000	\$0.45	112,500	1.25
	1,950,000	\$0.45	1,912,500	1.20

**9. WARRANTS**

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, March 31, 2023	66,290	\$0.25
Issued	3,363,772	0.40
Issued – Broker/Finder warrants	21,000	0.40
Exercised	(890)	0.25
Expired	(65,400)	0.25
<b>Balance, March 31, 2024 and December 31, 2024</b>	<b>3,384,772</b>	<b>\$0.40</b>

Relative fair value of the warrants issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	March 31 2024
Dividend yield	Nil
Expected volatility (based on historical prices)	122%
Risk-free rate of return	3.88%
Expected life	2 Year
Share price	\$0.40

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
January 10, 2026	3,384,772	\$0.40	1.03	\$ 432,893

**KO GOLD INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***(unaudited, expressed in Canadian dollars)***For the nine months ended December 31, 2024 and 2023****10. CORPORATE AND ADMINISTRATIVE**

	Three months ended		Nine months ended	
	December 31 2024	December 31 2023	December 31 2024	December 31 2023
Consulting (note 12)	\$ 28,211	\$ 48,800	\$ 82,117	\$ 88,806
Corporate development and promotion	49,289	24,818	163,795	25,318
Filing and transfer agent fees	7,493	22,346	20,463	24,165
Interest paid	2,529	-	2,529	-
Management fees (note 12)	103,500	25,000	250,500	25,000
Office and general	268	715	1,477	1,623
Professional fees	9,162	6,337	34,490	76,327
Travel	15,452	28,014	33,667	28,533
	\$ 215,904	\$ 156,030	\$ 589,038	\$ 269,772

**11. EXPLORATION AND EVALUATION****Otago Gold Project – New Zealand**

The Otago Gold Project is located in New Zealand in the Otago region on the South Island and consists of nine permits that encompasses approximately 740 sq. kms. Beginning April 1, 2024, the Company considers the Otago Gold Project and the Smylers Gold Project to be one project, with the Otago Gold Project being the survivor. All comparative amounts have been adjusted accordingly. The Otago Gold Project consists of two prospecting permits and six exploration permits.

On December 15, 2024, the Company relinquished its Tokomairiro prospecting permit (PP 60674) due to the lack of significant results from exploration programs on this permit.

	Three months ended		Nine months ended	
	December 31 2024	December 31 2023	December 31 2024	December 31 2023
Acquisition costs – Hyde Res	\$ -	\$ 908,353	\$ -	\$ 908,353
Property costs	94,652	24,531	142,712	52,733
Assaying	216	-	1,850	-
Consulting/Contracting	1,879	24,836	273,249	43,909
Equipment and supplies	-	-	28,193	-
Geophysics/Surveys	-	6,573	-	6,573
Site costs	6,889	33,942	23,443	102,243
Travel/Transportation	-	148	1,242	729
	\$ 103,636	\$ 998,383	\$ 470,689	\$ 1,114,540

**Hyde Resources Ltd. Acquisition (Smylers Gold Project)**

On November 27, 2023, the Company completed the purchase of 100% of the shares of Hyde Resources Limited from Smylers Gold Limited. The effective date of the acquisition was November 1, 2023. Hyde Resources holds the Smylers and Glenpark exploration permits (the HR Permits), located in the Otago gold district of the South Island of New Zealand.

## KO GOLD INC.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the nine months ended December 31, 2024 and 2023

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#### EXPLORATION AND EVALUATION (continued)

The purchase price was \$910,738, which consisted of 3,500,000 common shares, having a fair value of \$875,000 and transaction costs of \$35,738. The acquisition of Hyde Resources was treated as an asset acquisition, whereby the consideration paid for the acquisition was allocated to the fair value of the identifiable assets and liabilities assumed with the remainder allocated to the mineral properties acquired. The consideration attributed to the acquisition was expensed in accordance with the Company's accounting policy for exploration and evaluation expenditures.

In addition, Smylers Gold Ltd. retained:

- a) a 2-per-cent net smelter return ("NSR") royalty for the life of the HR Permits, of which 1 per cent, such that the remaining NSR shall be reduced to 1 per cent, may be purchased by the Company, at anytime, for NZ \$2 million; and,
- b) the right to receive \$20 for each ounce of gold produced from the HR Permits for the life of the project.

#### NewPeak NZ permit acquisition

On February 15, 2024, as amended on May 16, 2024, the Company entered into an agreement with NewPeak NZ Limited to acquire the Garibaldi and Raggedy Range exploration permits (the "NP Permits"), encompassing a combined area of approximately 92 sq. kms.

As consideration for the acquisition of the NP Permits, the Company:

- (i) issued an aggregate of 595,238 common shares on February 23, 2024 having a value of \$261,905;
- (ii) shall issue such number of common shares having a value of \$125,000 on February 15, 2025 (the "Second Tranche"); see subsequent event (Note 15), and
- (iii) shall issue such number of common shares having a value of \$125,000 on February 15, 2026 (the "Third Tranche").

The common shares to be issued in the Second Tranche and the Third Tranche shall be issued at the Market Price (as such term is defined in the policies of the Canadian Securities Exchange) on the date of issuance.

Completion of the acquisition of the NP Permits is also subject to receipt of New Zealand ministerial approval to transfer the NP Permits to the Company by August 31, 2024 pursuant to the New Zealand Crown Minerals Act. Approved September 18, 2024.

## KO GOLD INC.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the nine months ended December 31, 2024 and 2023

#### 12. RELATED PARTY TRANSACTIONS AND BALANCES

A summary of the compensation of key management (directors/officers) of the Company is included in the table below. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company.

Name	Relationship	Purpose of transaction	Nine months ended	
			December 31 2024	December 31 2023
Paul Teniere	Company controlled by a director	Consulting fees (i)	\$ -	\$ 71,300
Jim Henning	Company controlled by a director	Management fees (ii)	1,000	-
Greg Issenor	Company controlled by a director	Management fees (ii)	112,500	25,000
Norman Stacey	Company controlled by a director	Management fees (ii)	35,000	-
Paul Teniere	Company controlled by a director	Management fees (ii)	81,000	-
Mark McMurdie	Company controlled by a former director	Management fees (ii)	21,000	-
	Share based compensation (iii)		16,801	-
			<b>\$ 267,301</b>	<b>\$ 96,300</b>

(i) Consulting fees were paid or became payable to a Company officer.

(ii) Management fees were paid or became payable to Company officers or companies controlled by Company officers.

(iii) Share based compensation are the vesting of options issued during the prior financial year.

Included in accounts payable and accrued liabilities is \$64,895 (March 31, 2024 - \$1,930) payable to entities controlled by or associated with Company directors/officers.

In September 2023, Company directors/officers provided the Company with cash loans of \$10,000. These loans are unsecured, non-interest bearing and payable on demand any time after October 1, 2024. The Company has the right to prepay the loans at any time, without bonus or penalty.

On March 31, 2023, the Company settled \$121,375 of payables by issuing 485,500 common shares at \$0.25 per share to entities controlled by or associated with current and former Company directors/officers. The debt settlement consisted of: 160,000 shares in settlement of \$40,000 of consulting fees; 60,000 shares in settlement of \$15,000 of expenses; and, 265,500 shares in settlement of \$66,375 of legal fees.

#### 12. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding for the period. For the purposes of calculating the basic and diluted loss per share the effect of the potentially dilutive options and warrants were not included in the calculation as the result would be anti-dilutive.

## KO GOLD INC.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the nine months ended December 31, 2024 and 2023

#### 13. SEGMENTED REPORTING

The Company operates in a single segment, which is the acquisition and exploration of mineral properties in New Zealand.

##### Assets and liabilities by geographic region:

As at	December 31 2024	March 31 2024
Current assets		
Canada	\$ 99,649	\$ 790,536
New Zealand	27,973	72,899
	<b>\$ 127,622</b>	<b>\$ 863,435</b>
Current liabilities		
Canada	\$ 400,997	\$ 168,541
New Zealand	202,037	117,322
	<b>\$ 603,034</b>	<b>\$ 285,863</b>

##### Comprehensive loss by geographic region:

For the nine months ended December 31,	2024	2023
Canada	\$ (556,888)	(279,893)
New Zealand	(536,396)	(1,104,440)
	<b>\$ (1,093,284)</b>	<b>\$ (1,384,333)</b>

#### 14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### Fair Value

The carrying value of cash, and accounts payable and accrued liabilities approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arms-length transaction between willing parties and is best evidenced by a quoted market price if one exists.

IFRS 13 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

The methods and assumptions used to develop fair value measurements are: Level 1 - includes quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - includes inputs, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from process); and, Level 3 - includes inputs that are not based on observable data.

As at December 31, 2024 and March 31, 2024, the Company had no financial assets measured at fair value.

## **KO GOLD INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*(unaudited, expressed in Canadian dollars)*

**For the nine months ended December 31, 2024 and 2023**

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#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

##### **Risk Management**

The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies. The Company's financial instruments are exposed to the risks described below:

##### **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 their obligations. Financial instruments that potentially expose the Company to this risk consist of cash. The Company mitigates the risk to its cash by depositing a majority of its cash with Canadian and New Zealand banks.

##### **Currency Risk**

The Company operates in Canada and New Zealand, thus exposing the Company to market risks from fluctuations in foreign exchange rates. The Company has certain corporate and administrative expenditures, exploration and evaluation expenditures and future potential financial commitments (Note 11) denominated in New Zealand dollars. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates. As at December 31, 2024, a 10% change in the New Zealand dollar (NZD) would impact the Company's loss by approximately \$17,000 (March 31, 2024 - \$4,000).

##### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's excess cash is invested in low-risk financial instruments that provide flexibility for early redemption. The Company's excess cash is subject to interest rate risk resulting from fluctuations in prime rates.

##### **Liquidity Risk**

Liquidity risk management requires maintaining sufficient cash, liquid investments or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 5. The Company does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund-raising activities.

Accounts payable and accrued liabilities are generally due within 30 days and loans payable are due on demand after October 1, 2024. As at December 31, 2024, the Company had cash of \$85,291 (March 31, 2024 - \$779,576) to settle current liabilities of \$568,034 (March 31, 2024 - \$285,863). The Company will need to raise additional capital to fully fund its fiscal 2025 activities.

#### **15. SUBSEQUENT EVENTS**

On February 11, 2024, the Company issued 657,894 common shares at \$0.19 per share pursuant to an acquisition agreement to acquire the New Peak permits (note 11).