

SEAHAWK GOLD CORP.

**CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)**

FOR THE THREE MONTHS ENDED AUGUST 31, 2024

These unaudited condensed interim financial statements of Seahawk Gold Corp. for the three months ended August 31, 2024 have been prepared by management and approved by the Board of Directors. These financial statements have not been reviewed by the Company's external auditors.

SEAHAWK GOLD CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

	August 31, 2024	May 31, 2024
ASSETS		
Current		
Cash	\$ 216,089	\$ 253,757
Amounts receivable (Note 6)	2,183	26,515
Prepays	384	384
Exploration advances	<u>502</u>	<u>372</u>
Total current assets	219,158	281,028
Long-term exploration advance (Note 4)	96,400	96,400
Exploration and evaluation assets (Note 5)	<u>2,004,936</u>	<u>1,989,144</u>
Total assets	<u>\$ 2,320,494</u>	<u>\$ 2,366,572</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 28,581	\$ 36,569
Due to related parties (Note 8)	<u>8,500</u>	<u>-</u>
Total current liabilities	<u>37,081</u>	<u>36,569</u>
Shareholders' equity		
Share capital (Note 7)	9,251,186	9,251,186
Reserves (Note 7)	3,155,552	3,155,552
Deficit	<u>(10,123,325)</u>	<u>(10,076,735)</u>
	<u>2,283,413</u>	<u>2,330,003</u>
Total liabilities and shareholders' equity	<u>\$ 2,320,494</u>	<u>\$ 2,336,572</u>

Nature and continuance of operations (Note 1)

Proposed transactions (Note 11)

Approved and authorized on behalf of the Board on September 27, 2024:

"Giovanni Gasbarro" Director "Bruno Gasbarro" Director

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

SEAHAWK GOLD CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended August 31, 2024	Three Months Ended August 31, 2023
OPERATING EXPENSES		
Interest income	\$ -	\$ (949)
Management fees (Note 8)	18,500	16,000
Office and miscellaneous	1,083	594
Professional fees	8,866	12,836
Shareholder cost and investor relations	11,325	19,018
Transfer agent and filing fees	<u>6,816</u>	<u>9,450</u>
Loss and comprehensive loss for the period	\$ (46,590)	\$ (56,949)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	36,587,416	36,587,416

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

SEAHAWK GOLD CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended August 31, 2024	Three Months Ended August 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (46,590)	\$ (56,949)
Changes in non-cash working capital items:		
Receivables	24,332	40,352
Prepays	(130)	22,057
Accounts payable and accrued liabilities	(7,988)	(17,713)
Due to related parties	<u>8,500</u>	<u>6,000</u>
Net cash used in operating activities	<u>(21,876)</u>	<u>(6,253)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Quebec mining tax credit	-	67,455
Long-term exploration advance	-	23,669
Exploration and evaluation asset expenditures	<u>(15,792)</u>	<u>(25,022)</u>
Net cash provided by (used) in investing activities	<u>(15,792)</u>	<u>66,102</u>
Change in cash for the period	(37,668)	59,849
Cash, beginning of period	<u>253,757</u>	<u>211,090</u>
Cash, end of period	\$ 216,089	\$ 270,939
Interest paid	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 9)

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

SEAHAWK GOLD CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital Amount	Reserves	Deficit	Total
Balance, May 31, 2023	36,587,416	\$ 9,251,186	\$ 2,971,935	\$ (9,848,134)	\$ 2,374,987
Loss for the period	-	-	-	(56,949)	(56,949)
Balance, August 31, 2023	36,587,416	9,251,186	2,971,935	(9,905,083)	2,318,038
Share-based compensation			183,617	-	183,617
Loss for the period	-	-	-	(171,652)	(171,652)
Balance, May 31, 2024	36,587,416	9,251,186	3,155,552	(10,076,735)	2,330,003
Loss for the period	-	-	-	(46,590)	(46,590)
Balance, August 31, 2024	36,587,416	\$ 9,251,186	\$ 3,155,552	\$(10,123,325)	\$ 2,283,413

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

SEAHAWK GOLD CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED AUGUST 31, 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

Seahawk Gold Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on January 16, 2007. The Company's registered and records office is located at suite 1700 – 666 Burrard Street, Vancouver, BC V6C 2X8 and its head office is located at 909 Bowron Street, Coquitlam, BC V3J 7W3.

The Company currently holds a 100% interest in the Touchdown Property, Xtra Point Property and Blitz Property, all located in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada (Note 5).

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company incurred a loss of \$46,590 for three months ended August 31, 2024 and as of that date the Company's accumulated deficit was \$10,123,325 (May 31, 2024 - \$10,076,735) The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations, and to continue to raise funds or obtain borrowing from third parties sufficient to meet current and future obligations and/or restructure the existing debt and payables.

While management intends to pursue additional financings and the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with FIRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). Accordingly, these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These financial statements should be read in conjunction with the Company's audited financial statements for the fiscal year ended May 31, 2024.

Basis of measurement and presentation currency

These financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

2. BASIS OF PREPARATION (cont'd...)

Use of estimates and critical judgments

The preparation of these financial statements 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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. Management considers both internal and external sources of information when making the assessment of whether there are indications of impairment, including geological and metallurgic information, economic assessments and/or studies, future exploration programs budgeted or planned, and permitting. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, expected life, price volatility, interest rate and dividend yield. Changes in the input assumptions can significantly affect the fair value estimate of the Company's earnings and reserves.

c) Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

d) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

SEAHAWK GOLD CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)
FOR THE THREE MONTHS ENDED AUGUST 31, 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed interim financial statements have been prepared according to the same accounting policies and are subject to the same areas of judgement, measurement estimates and uncertainties as those disclosed in Note 3 of the Company's audited financial statements for the year ended May 31, 2024.

4. LONG-TERM EXPLORATION ADVANCE

As of August 31, 2024, the Company has an advance of \$96,400 (May 31, 2024 - \$96,400) with a geological data and analysis company for exploration and evaluation expenditures.

5. EXPLORATION AND EVALUATION ASSETS – MINERAL PROPERTIES

	<i>Mystery Property</i>	<i>Touchdown Property</i>	<i>Xtra Point Property</i>	<i>Blitz Property</i>	<i>Total</i>
Balance, May 31, 2023	\$ 546,709	\$ 723,826	\$ 18,669	\$ 1,324,725	\$ 2,613,929
Exploration					
Mining taxes	-	-	-	3,472	3,472
General exploration	400	400	-	400	1,200
Data	-	-	-	74,438	74,438
Quebec mining tax credit	-	-	-	(156,786)	(156,786)
Write-off of mineral properties	(547,109)	-	-	-	(547,109)
Balance, May 31, 2024	-	724,226	18,669	1,246,249	1,989,144
Exploration					
Mining taxes	-	-	-	14,592	14,592
General exploration	-	600	-	600	1,200
Balance, August 31, 2024	\$ -	\$ 724,826	\$ 18,669	\$ 1,261,441	\$ 2,004,936

5. EXPLORATION AND EVALUATION ASSETS – MINERAL PROPERTIES (cont'd...)

Mystery Property, Quebec

On June 9, 2017, the Company entered into a Property Purchase Agreement (the “Agreement”) with RSD Capital Corp. and Michel A. Lavoie (the “Vendors”) to acquire a 100% undivided interest in the Mystery Property comprising 66 mineral claims in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

The Agreement provides that the Company will acquire a 100% interest in the Mystery Property in consideration for payment to the Vendors of an aggregate of \$50,000 (paid), and issuing total of 1,000,000 common shares (issued, valued at \$280,000) of the Company. The Vendors will retain a 2% NSR on the Mystery Property. The Company may elect to purchase one-half of the NSR from the Vendors for a payment of \$500,000, thereby leaving the Vendors with the remaining 1%.

Impairment

As of May 31, 2024, the Company recognized an impairment of \$547,109 on Mystery Property due to a lack of exploration plans for fiscal year 2025.

Touchdown Property, Quebec

On August 2, 2017, the Company entered into a Property Purchase Agreement (the “Agreement”) with RSD Capital Corp. and Michel A. Lavoie (the “Vendors”) to acquire the Touchdown Property comprising 48 mineral claims in the Urban-Barry Greenstone Belt region within the Abitibi sub-province, Quebec, Canada.

The Agreement provides that the Company will acquire a 100% interest in the Touchdown Property in consideration for payment to the Vendors of an aggregate of \$60,000 (paid), and issuing total of 400,000 common shares (issued, valued at \$156,000) of the Company. The Vendors will retain a 2% NSR on the Touchdown Property. The Company may elect to purchase one-half of the NSR from the Vendors for a payment of \$1,000,000, thereby leaving the Vendors with the remaining 1%.

The Company also issued 150,000 shares (valued at \$58,500) as a finder’s fee in connection with the acquisition.

Xtra Point Property, Quebec

In April 2018, the Company acquired from an arm's length vendor a 100% interest in the Xtra Point Property located in the Urban BarryGold Camp, Barry Township, Québec. In consideration, the Company issued the vendor 10,000 common shares (issued, valued at \$4,200). The vendor retains a 2% net smelter return royalty on the property. The Company has the option to reduce the royalty to a 0.5% net smelter return royalty for a cash payment to the vendor of \$1,000,000.

Blitz Property, Quebec

In August 2018, the Company entered into a property purchase agreement with Mitchell E. Lavery, a director of the Company, to acquire a 100% interest in the Blitz Property located in Urban-Barry Greenstone Belt, Quebec. As per the agreement, the Company is to pay Mr. Lavery \$8,000 in cash (paid) and issue 1,650,000 shares (issued and valued at \$627,000), subject to a 2.5% net smelter return royalty.

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6. AMOUNTS RECEIVABLE

The items comprising the Company's amounts receivable are summarized below:

	August 31, 2024	May 31, 2024
	\$	\$
GST receivable	2,063	26,395
QST receivable	120	120
Total amounts receivable	2,183	26,515

7. SHARE CAPITAL AND RESERVES

As at August 31, 2024, the Company has 36,587,416 (May 31, 2024 – 36,587,416) common shares outstanding.

Share issuance

There was no share issuance during the three months ended August 31, 2024 or the year ended May 31, 2024.

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors.

On March 28, 2024, the Company granted incentive stock options to directors and officers for the right to purchase up to an aggregate of 1,100,000 common shares of the Company, exercisable at a price of \$0.25 per share for a period of 12 months. These options vested on the date of grant. The fair value (\$163,279; \$0.15 per option) of the stock options granted was determined by using Black Scholes model with the following assumptions: risk free interest rate of 4.2%; volatility of 210.16%; expected life of options 1 year; and dividend rate of 0%.

On November 15, 2023, the Company granted incentive stock options to a consultant for the right to purchase up to an aggregate of 500,000 common shares of the Company, exercisable at a price of \$0.25 per share for a period of 12 months. These options vested on the date of grant. The fair value (\$20,338; \$0.04 per option) of the stock options granted was determined by using Black Scholes model with the following assumptions: risk free interest rate of 4.52%; volatility of 165.11%; expected life of options 1 year; and dividend rate of 0%.

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7. SHARE CAPITAL AND RESERVES (cont'd...)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, May 31, 2023	100,000	\$ 0.40
Expired	(100,000)	0.40
Granted	<u>1,600,000</u>	<u>0.25</u>
Balance, May 31, 2024 and August 31, 2024	<u>1,600,000</u>	<u>\$ 0.25</u>

As at August 31, 2024, the following options are outstanding and exercisable:

Number of Options	Exercise Price	Expiry Date
500,000	\$ 0.25	November 15, 2024
1,100,000	\$ 0.25	March 28, 2025

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, May 31, 2023	5,419,470	\$ 0.54
Expired	<u>(1,569,471)</u>	<u>0.50</u>
Balance, May 31, 2024	3,849,999	0.55
Expired	<u>(3,849,999)</u>	<u>0.50</u>
Balance, August 31, 2024	<u>-</u>	<u>\$ -</u>

8. RELATED PARTY TRANSACTIONS

Key management personnel include 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.

Except as disclosed elsewhere in the financial statements, during the three months ended August 31, 2024, the Company entered into the following transactions with related parties:

- (a) The Company paid or accrued management fee of \$8,500 (2023 - \$6,000) to the Chief Financial Officer ("CFO"). As of August 31, 2024, \$3,500 (May 31, 2024 - \$Nil) payable to the CFO was included in due to related parties.
- (b) The Company paid or accrued management fees of \$10,000 (2023 - \$10,000) to the Chief Executive Officer ("CEO"). As of August 31, 2024, \$5,000 (May 31, 2024 - \$Nil) payable to the CEO was included in due to related parties.

Amounts due to related parties are unsecured, non-interest bearing and had no specific terms of repayment.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the three months ended August 31, 2024.

The significant non-cash transactions during the three months ended August 31, 2023 included:

- a) \$248,600 of exploration and evaluation assets included in due to related parties as of August 31, 2023.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT

Fair value

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at August 31, 2024, the Company's financial instruments comprise cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties. The carrying values of cash, amounts receivable, accounts payable and accrued liabilities, and accounts payable to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Credit Risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The carrying amount of the Company's financial instruments best represents the maximum exposure to credit risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at August 31, 2024, the Company had a cash balance of \$216,089 (May 31, 2024 - \$253,757) and current liabilities of \$37,081 (May 31, 2024 - \$36,569).

The Company has historically relied on equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Foreign currency risk

The Company's functional currency is the Canadian dollar and the majority of its purchases are transacted in Canadian dollars. From time to time, the Company funds certain operations, exploration and administrative expenses in US dollars on a cash call basis using US currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities. The Company relies mainly on equity issuances and loans from related parties to raise new capital. In the management of capital, the Company includes the components of shareholders' equity (deficiency). The Company prepares annual estimates of operating expenditures and monitors actual expenditures compared to the estimates in an effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund costs for the current year. These financing activities may include issuances of additional debt or equity securities.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

11. PROPOSED TRANSACTIONS

On June 24, 2024, the Company entered into a letter agreement with FlexGPU, an AI data center development company, pursuant to which, the Company will acquire all of the issued and outstanding shares of FlexGPU (the "Transaction"). As consideration, the Company will issue an aggregate of 10,000,000 common shares ("Consideration Shares") to FlexGPU's current shareholders (the "Vendors") at a deemed price of \$0.20 per Consideration Share.

In addition, the Company will issue an additional 20,000,00 common shares of Seahawk ("Performance Shares") to the Vendors at a deemed price of \$0.20 per Performance Share. The Performance Shares will be held in escrow for release to the Vendors upon the Resulting Issuer satisfying certain performance-based release conditions to be set out in the Definitive Agreement. If the release conditions in the escrow agreement are not met, the Performance Shares will be returned to the Resulting Issuer and cancelled and returned to treasury. The Vendors may not exercise the voting rights attaching to the Performance Shares until they are released from escrow.

Prior to closing of the Transaction (the "Closing"), FlexGPU will complete a convertible debt financing to raise gross proceeds of \$6,000,000. The Company will assume this debt at Closing, and the debt following such assumption will be convertible into Resulting Issuer shares at a price of \$0.30 per share.

The Transaction is subject to the satisfactory completion of due diligence by the Company, the approval of the CSE and any other regulatory body having jurisdiction, and the approval of the Company's shareholders.

The agreement may be terminated by the Company at any time if it is not satisfied with the results of its due diligence investigations of FlexGPU, and may be terminated by either party if (a) the Definitive Agreement has not been entered into September 30, 2024; (b) the Closing has not taken place by November 30, 2024; or (c) the CSE indicates that it will not approve the Transaction.