

**AVANTI GOLD CORP.**  
(formerly, Valorem Resources Corp.)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three months and nine months ended January 31, 2024, and 2023**

*(Unaudited - Expressed in Canadian dollars)*

### **NOTICE OF NO AUDITOR REVIEW**

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

**Avanti Gold Corp.**  
**(formerly, Valorem Resources Inc.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

	Note	January 31, 2024 (Unaudited)	April 30, 2023 (Audited)
		\$	\$
<b>ASSETS</b>			
Cash		28,992	281,038
Tax receivable		8,334	24,904
Prepaid expenses	4	48,586	47,705
<b>TOTAL ASSETS</b>		<b>85,912</b>	<b>353,647</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		3,567,431	3,107,702
Related party liabilities	8	136,050	118,050
Deferred consideration	6	2,679,400	2,715,600
<b>TOTAL LIABILITIES</b>		<b>6,382,881</b>	<b>5,941,352</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Share capital	7	21,007,335	20,260,711
Contributed surplus	7	3,934,080	2,880,629
Accumulated other comprehensive income		655,066	415,641
Accumulated deficit		(29,758,968)	(27,185,283)
Attributable to shareholders		(4,162,487)	(3,628,302)
Non-controlling interest	11	(2,134,482)	(1,959,403)
<b>TOTAL SHAREHOLDERS' DEFICIENCY</b>		<b>(6,296,969)</b>	<b>(5,587,705)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		<b>85,912</b>	<b>353,647</b>

Nature of operations – Note 1  
Going concern assumption – Note 2  
Exploration and evaluation assets – Note 9  
Subsequent events – Note 15

Approved on behalf of the Board of Directors on March 25, 2024

"Colin Porter" Director

"Mata Botima" Director

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended January 31, 2024 \$	January 31, 2023 \$	Nine months ended January 31, 2024 \$	January 31, 2023 \$
<b>EXPENSES</b>					
Acquisition and exploration expenditures	9	4,070	12,031,017	20,348	12,046,017
Consulting fees	8	162,225	102,433	459,885	209,933
Insurance		2,229	2,729	8,218	8,284
Interest expense	5	-	2,740	-	21,699
Office and miscellaneous		181,175	45,781	461,386	49,132
Professional fees	8	145,993	111,037	267,122	188,191
Promotion		77,933	33,553	232,335	41,053
Registration and filing fees		-	(18,636)	2,659	18,563
Share-based compensation	7	191,645	-	1,094,702	-
Shareholder communication		5,371	-	5,371	-
Transfer agent fees		8,879	17,608	16,335	26,469
Travel expense		2,920	-	178,907	-
Website expense		-	-	1,496	1,086
<b>Loss before other items</b>		<b>(782,440)</b>	<b>(12,328,262)</b>	<b>(2,748,764)</b>	<b>(12,610,427)</b>
<b>NET LOSS FOR THE PERIOD</b>		<b>(782,440)</b>	<b>(12,328,262)</b>	<b>(2,748,764)</b>	<b>(12,610,427)</b>
<b>Other comprehensive income:</b>					
Exchange differences on translating foreign operations		488,648	-	239,425	-
Loss on settlement of debt		-	-	-	(280,953)
Write off of accounts payable		-	-	-	130,000
Net loss		<b>(293,792)</b>	<b>(12,328,262)</b>	<b>(2,509,339)</b>	<b>(12,761,380)</b>
Other comprehensive loss		-	(337)	-	(337)
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(293,792)</b>	<b>(12,328,599)</b>	<b>(2,509,339)</b>	<b>(12,761,717)</b>
<b>Comprehensive loss for the period attributable to:</b>					
Shareholders of the Company		<b>(237,773)</b>	<b>(12,310,852)</b>	<b>(2,334,260)</b>	<b>(12,743,970)</b>
Non-controlling interest		<b>(56,019)</b>	<b>(17,747)</b>	<b>(175,079)</b>	<b>(17,747)</b>
		<b>(293,792)</b>	<b>(12,328,599)</b>	<b>(2,509,339)</b>	<b>(12,761,717)</b>
Basic and diluted loss per share for the period		<b>(0.02)</b>	<b>(0.44)</b>	<b>(0.06)</b>	<b>(0.67)</b>
Weighted average number of common shares outstanding		<b>46,679,311</b>	<b>28,329,622</b>	<b>45,942,075</b>	<b>19,187,544</b>

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

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

## Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

For the period ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

	Number of common shares	Share capital \$	Contributed surplus \$	Accumulated other comprehensive income \$	Accumulated deficit \$	Non- controlling interest \$	Total \$
<b>Balance, April 30, 2022</b>	<b>2,800,479</b>	<b>8,637,878</b>	<b>2,061,787</b>	<b>-</b>	<b>(11,722,164)</b>	<b>-</b>	<b>(1,022,499)</b>
Shares issued for cash, net of share issuance costs	17,189,375	2,745,300	-	-	-	-	2,745,300
Acquisition of Regency Mining Ltd.	16,000,000	5,680,000	-	-	-	-	5,680,000
Finder common shares	2,000,000	710,000	-	-	-	-	710,000
Loan settlement	764,478	271,390	231,262	-	-	-	502,652
Accumulated other comprehensive loss	-	-	-	(337)	-	-	(337)
Non- controlling interest acquired	-	-	-	-	-	(1,764,614)	(1,764,614)
Net loss for the period	-	-	-	-	(12,743,633)	(17,747)	(12,761,380)
<b>Balance, January 31, 2023</b>	<b>38,754,332</b>	<b>18,044,568</b>	<b>2,293,049</b>	<b>(337)</b>	<b>(24,465,797)</b>	<b>(1,782,361)</b>	<b>(5,910,878)</b>
<b>Balance, April 30, 2023</b>	<b>43,549,118</b>	<b>20,260,711</b>	<b>2,880,629</b>	<b>415,641</b>	<b>(27,185,283)</b>	<b>(1,959,403)</b>	<b>(5,587,705)</b>
Shares issued for exercise of warrants	3,067,693	705,374	-	-	-	-	705,374
Restricted share issuance	62,500	41,250	(41,250)	-	-	-	-
Share-based compensation	-	-	1,094,701	-	-	-	1,094,701
Net loss for the period	-	-	-	-	(2,573,685)	(175,079)	(2,748,764)
Other comprehensive income	-	-	-	239,425	-	-	239,425
<b>Balance, January 31, 2024</b>	<b>46,679,311</b>	<b>21,007,335</b>	<b>3,934,080</b>	<b>655,066</b>	<b>(29,758,968)</b>	<b>(2,134,482)</b>	<b>(6,296,969)</b>

On July 22, 2022, the Company consolidated the common shares of the Company on the basis of thirty-five pre-consolidation shares for one post-consolidation share. All share and per share transactions have been retroactively adjusted to reflect these changes.

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

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

## Condensed Interim Consolidated Statements of Cash Flows

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

	2024	2023
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	(2,748,764)	(12,761,380)
Items not affecting cash:		
Interest expense	-	21,699
Write off of accounts payable	-	(130,000)
Loss on settlement of debt	-	280,953
Acquisition of exploration and evaluation assets	-	12,031,017
Share-based compensation	1,094,701	-
<b>Net changes in non-cash working capital accounts</b>		
Taxes receivables	16,570	(11,299)
Prepaid expenses	(881)	(9,151)
Accounts payable and accrued liabilities	459,729	(650,885)
Related party liabilities	18,000	(193,350)
<b>Net cash used in operating activities</b>	<b>(1,160,645)</b>	<b>(1,422,396)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable	-	450,000
Proceeds from warrants exercised	705,374	-
Loan repayments	-	(350,000)
Proceeds from issuance of common shares	-	2,745,300
Cash acquired from Regency mining	-	759
Cash paid to acquire Regency mining	-	(660,167)
<b>Net cash provided by financing activities</b>	<b>705,374</b>	<b>2,185,892</b>
Change in cash during the period	(455,271)	763,496
Effect on foreign exchange on cash	203,225	-
Cash, beginning of the period	281,038	56,040
<b>CASH, END OF THE PERIOD</b>	<b>28,992</b>	<b>819,536</b>

Supplemental disclosures with respect to cash flows – Note 10

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

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

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## 1. NATURE OF OPERATIONS

Avanti Gold Corp. (“AGC” or the “Company”) is a mineral exploration company working on a gold opportunity in the Democratic Republic of the Congo (“DRC”), located in the Fizi territory of South Kivu Province. The Company was incorporated on May 9, 2014, and on September 14, 2020, the Company changed its name from JDF Explorations Inc. to Valorem Resources Inc. and on April 21, 2023, the Company changed its name to Avanti Gold Corp. The Company is a publicly listed company on the Canadian Stock Exchange (“CSE”), trading under the symbol “AGC” and on the Frankfurt Stock Exchange under the symbol “X37”.

The head office and principal address is 2380 – 1055 West Hasting Street, Vancouver, British Columbia, V6E 2E9. The registered and records office of the Company is located at 2380 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

The continued operations of the Company are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of such properties, and the profitable production from or disposition of such properties.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

### Statement of Compliance to International Financial Reporting Standards

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended April 30, 2023, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These condensed interim consolidated financial statements have been prepared following the same accounting policies applied to the Company’s audited April 30, 2023, consolidated financial statements. As at January 31, 2024, there is no change in the Company’s significant account policies, significant accounting judgements, estimates, and assumptions unless otherwise noted.

In preparing these unaudited condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company’s significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company’s audited financial statements for the year ended April 30, 2023, with exception to the new accounting policies adopted by the Company discussed below.

The preparation of the unaudited condensed interim consolidated financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The condensed interim consolidated financial statements of the Company as at January 31, 2024 were approved and authorized for issue by the Board of Directors on March 25, 2024.

# Avanti Gold Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

### Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. In addition, these unaudited condensed interim consolidated financial statements have been prepared on the historical-cost basis, except for certain financial assets and financial liabilities.

### Basis of Consolidation

These unaudited condensed interim consolidated financial statements incorporate the unaudited condensed interim consolidated financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The unaudited financial statements of subsidiaries are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

The following material companies have been consolidated within these unaudited condensed interim consolidated financial statements:

Entity	Country of Incorporation	Voting Control	Functional Currency
Casa Mining Ltd.	Seychelles	99.43%	United States dollar
Regency Mining Ltd.	Seychelles	100%	United States dollar
Leda Mining Congo S.A.	Congo	73.84%	United States dollar
1156219 BC Ltd.	Canada	100%	Canadian dollar
1286492 BC Ltd.	Canada	100%	Canadian dollar

### Going Concern Assumption

These unaudited condensed interim consolidated financial statements have been prepared by management 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 Company is in the process of exploring its exploration properties and it has not yet determined whether the mineral properties contain reserves that are economically recoverable. As at January 31, 2024, the Company had not advanced any properties to commercial production. During the nine months ended January 31, 2024, the Company incurred a net loss and comprehensive loss of \$2,509,339 (2023 - \$12,761,717) and, as of that date, had a deficit of \$29,758,968 (April 30, 2023 - \$27,185,283) and working capital deficiency of \$6,296,969 (April 30, 2023 - \$5,587,705). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors form a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. In addition, if the Company is to advance or develop its projects, it will be necessary to obtain additional financing. Although management has been successful in the past in raising capital, there are no assurances that the Company will be successful raising capital in the future. The Company plans to do additional equity raising, when required, in order to obtain funding to meet on-going expenditures.

These unaudited condensed interim consolidated financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.



# Avanti Gold Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

### New accounting standards issued 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 unaudited condensed interim consolidated financial statements.

## 3. SHARE EXCHANGE AGREEMENT WITH REGENCY MINING LTD.

On December 22, 2022, the Company entered into a share exchange agreement with Regency Mining Ltd. ("Regency") to acquire 100% of Regency, a private corporation existing under the laws of Seychelles. Regency owns a 99.43% interest in Casa Mining Ltd. ("Casa"), and indirectly through its ownership of Casa, Casa owns a 73.84% interest in Leda Mining Congo S.A. ("Leda"). Leda owns an interest in and to the Misisi Gold Project ("Gold Project") located in the Fizi territory of South Kivu province, in the DRC. The Gold Project covers 133 square kilometers on three contiguous mining licenses, valid until 2045. As consideration, the Company has agreed to pay or issue the following:

- A cash payment of US \$150,000 upon execution of an LOI (paid);
- A cash payment of US \$250,000 on or prior to July 31, 2022 (paid);
- A cash payment of US \$100,000 upon execution of a Definitive Agreement (paid); and,
- Issued 16,000,000 common shares (issued).

The acquisition of Regency does not constitute a business combination because this entity does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire these entities. The fair value of the consideration paid was determined based on the fair value of the assets received as determined based on IFRS 2 – Share Based Payments.

The following table summarizes the consideration paid and the allocation to the assets and liabilities acquired as at the date of acquisition:

Purchase price	\$
16,000,000 common shares	5,680,000
2,000,000 finder common shares	710,000
Cash payments	656,567
Transaction costs	3,600
Total consideration paid	7,050,167
Cash	815
Prepays	4,165
Accounts payable	(2,301,944)
Loans payable	(1,091,749)
Deferred consideration payable	(2,731,200)
Advances from related parties	(1,025,515)
Net liabilities acquired	(7,145,428)
Non-controlling interest	1,901,902
Liabilities acquired	(5,243,526)
Net exploration and evaluation expenditures	12,293,693

The fair value of total consideration paid has been determined using level one inputs.

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

## 4. PREPAID EXPENSES

	January 31, 2024	April 30, 2023
Insurance	6,422	6,640
Legal	15,000	15,000
Other	27,164	26,065
Total	48,586	47,705

## 5. LOAN PAYABLE

On February 12, 2021, the Company assumed debt of \$100,000 owed to a former director of the Company's subsidiary. The loan is non-interest bearing, unsecured and due on demand. During the year ended April 30, 2023, the Company repaid \$100,000 to the former director of the Company's subsidiary. As at January 31, 2024, and April 30, 2023, the balance has been fully repaid.

On May 14, 2022, the Company entered into a Loan Agreement (the "Loan Agreement") with K2 Principal Fund L.P (the "Lender"), whereby the Lender advanced \$450,000 (the "Loan") to the Company. The Loan bears interest of 10% per annum, is unsecured and is due on November 15, 2022. During the year ended April 30, 2023, the Company recorded an interest expense of \$21,699 (2022 - \$Nil) and repaid \$250,000 of the principal. On December 22, 2022, the Company issued 764,478 Units with a fair value of \$502,652 and settled \$200,000 of principal and \$21,699 of interest. Each Unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share with an exercise price of \$0.29 and expires two years from the date of issuance. The estimated fair value of the warrants was \$231,262 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.355; exercise price - \$0.29; expected life - 2 years; volatility - 194%; dividend yield - \$0; and risk-free rate - 3.83%. The Company recorded a loss on loan settlement of \$280,953. As at January 31, 2024 this loan has been fully settled.

## 6. DEFERRED CONSIDERATION

The Company's subsidiary, Casa Mining Ltd., entered into a share repurchase agreement with Tremont Master Holdings. The Company repurchased and cancelled all of the 2,271,265 class "A" shares held by Tremont Master Holdings. As consideration, the Company agreed to pay US \$2,000,000 by January 2020. As at January 31, 2024, the Company is in negotiation to settle this balance of \$2,679,400 (US \$2,000,000).

## 7. SHARE CAPITAL

### Authorized share capital

Unlimited number of voting common shares without par value.

### Issued and outstanding

On January 31, 2024, the Company had 46,679,311 (April 30, 2023 - 43,549,118) common shares outstanding.

### Share Consolidation

Effective July 22, 2022, the Company consolidated the common shares of the Company on the basis of thirty-five (35) pre-consolidation shares for one (1) post-consolidation share.

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

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## 7. SHARE CAPITAL (continued)

### Share issuances

#### Share issuances during the nine months ended January 31, 2024

On October 4, 2023, the Company issued 285,000 common shares from the exercise of warrants for total proceeds of \$59,850.

On September 14, 2023, the Company issued 170,000 common shares from the exercise of warrants for total proceeds of \$35,700.

On August 31, 2023, the Company issued 285,715 common shares from the exercise of warrants for total proceeds of \$60,000.

On August 15, 2023, the Company issued 764,478 common shares from the exercise of warrants for total proceeds of \$221,699.

On June 15, 2023, the Company issued 62,500 shares from the exercise of RSU's. \$41,250 was transferred from contributed surplus to share capital.

On May 10, 2023, the Company issued 1,562,500 common shares from the exercise of warrants for total proceeds of \$328,125.

#### Share issuances during the year ended April 30, 2023

During the year ended April 30, 2023, the Company received a total of \$131,250 from the exercise of 625,000 warrants.

On February 22, 2023, the Company issued 4,169,786 common shares with a fair value of \$2,084,893 and settled debt of \$1,084,145. The Company recorded a loss on debt settlement of \$1,000,748.

On December 22, 2022, the Company issued 16,000,000 common shares with a fair value of \$5,680,000 pursuant to the acquisition of Regency. The Company issued 2,000,000 finder common shares with a fair value of \$710,000 (Note 3).

On December 22, 2022, the Company issued 764,478 Units pursuant to a loan settlement (Note 5). The common shares fair value was \$271,390. Each Unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share with an exercise price of \$0.29 and expires two years from the date of issuance. The estimated fair value of the warrants was \$231,262 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.355; exercise price - \$0.29; expected life - 2 years; volatility - 194%; dividend yield - \$0; and risk-free rate - 3.83%. The Company recorded a loss on debt settlement of \$280,953.

On October 7, 2022, the Company closed the third tranche of its private placement announced on August 30, 2022, and issued 7,364,375 Units at a price of \$0.16 per unit for gross proceeds of \$1,178,300. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at an exercise price of \$0.21 and expires two years from the date of issuance.

On September 22, 2022, the Company closed the second tranche of its private placement announced on August 30, 2022, and issued 6,937,500 Units at a price of \$0.16 per unit for gross proceeds of \$1,110,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at an exercise price of \$0.21 and expires two years from the date of issuance. The Company paid \$2,500 cash finder's fee.

# Avanti Gold Corp.

(formerly, Valorem Resources Inc.)

Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

## 7. SHARE CAPITAL (continued)

On September 2, 2022, the Company closed the first tranche of its private placement announced on August 30, 2022, and issued 2,887,500 Units at a price of \$0.16 per unit for gross proceeds of \$462,000. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at an exercise price of \$0.21 and expires two years from the date of issuance. The Company paid \$2,500 cash finder's fee.

### Stock options

In November 2022, the Company approved a stock option plan which authorizes the Directors to grant options to directors, officers, key employees and others who are in a position to contribute to the future success and growth of the Company. Options granted under the plan have a maximum term of ten years and typically vest on the grant date or at terms to be determined by the directors at the time of grant.

The following is a summary of the Company's stock option activity:

	Number of stock options	Weighted average exercise price \$
Balance, April 30, 2022	190,000	9.32
Granted	4,100,000	0.51
Expired	(7,143)	(7.70)
Balance, April 30, 2023	4,282,857	0.89
<b>Balance, January 31, 2024</b>	<b>4,282,857</b>	<b>0.89</b>
<b>Exercisable, January 31, 2024</b>	<b>2,232,857</b>	<b>1.24</b>

As of January 31, 2024, the Company had stock options outstanding to acquire common shares of the Company as follows:

Expiry date	Number of stock options	Exercise Price \$
March 20, 2026	4,100,000	0.51
April 21, 2026	57,143	7.70
May 27, 2026	125,714	10.15
	4,282,857	0.89

On March 20, 2023, the Company granted 4,100,000 stock options to certain consultants of the Company. Each option allows the holder to acquire one common share with an exercise price of \$0.51 per option and expires three years from the date of grant. The options vested as follows: 25% on the date of issuance, and 25% every six months thereafter. The estimated fair value of the options was \$1,822,782 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.50; exercise price - \$0.51; expected life - 3 years; volatility - 182%; dividend yield - \$0; and risk-free rate - 3.18%. For the year ended April 30, 2023, the Company recorded share-based compensation of \$642,028 and for the nine months ended January 31, 2024, the Company recorded a further share-based compensation of \$929,701.

# Avanti Gold Corp.

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Notes to the Condensed Interim Consolidated Financial Statements

For the three months and nine months ended January 31, 2024, and 2023

(Unaudited - Expressed in Canadian dollars)

## 7. SHARE CAPITAL (continued)

### Restricted stock units

The following is a summary of the Company's restricted stock units activity:

	Number of stock options	Fair value at grant date \$
Balance, April 30, 2023	-	-
Granted	250,000	0.51
Exercised	(62,500)	0.51
<b>Balance, January 31, 2024</b>	<b>187,500</b>	<b>0.51</b>
<b>Exercisable, January 31, 2024</b>	<b>187,500</b>	<b>0.51</b>

On June 15, 2023, the Company issued 62,500 shares from the exercise of RSU's. \$41,250 was transferred from contributed surplus to share capital.

On June 15, 2023, the Company issued 250,000 restricted stock units "RSUs" to Blue Sky Trading and Consulting Ltd. that will vest 62,500 units each on June 15, 2023, July 15, 2023, August 15, 2023, and September 15, 2023. For the nine months ended January 31, 2024, the Company recorded share-based compensation of \$165,000.

### Share purchase warrants

The following is a summary of the Company's warrant activity:

	Number of warrants	Weighted average exercise price \$
Balance, April 30, 2022	23,857	14.00
Issued	17,953,853	0.21
Exercised	(625,000)	0.21
Balance, April 30, 2023	17,352,710	0.23
<b>Exercised</b>	<b>(3,067,693)</b>	<b>0.23</b>
<b>Balance, January 31, 2024</b>	<b>14,285,017</b>	<b>0.23</b>

As of January 31, 2024, the Company had warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry date	Number of warrants	Exercise Price \$
September 2, 2024	1,806,785	0.21
September 22, 2024	6,937,500	0.21
October 7, 2024	5,516,875	0.21
October 25, 2024	23,857	14.00
<b>Total</b>	<b>14,285,017</b>	<b>0.23</b>

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## 8. RELATED PARTY TRANSACTIONS

Key management personnel are the Directors and Officers of the Company. Certain key management personnel provide services through companies that they control. The following transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The following are the transactions with related parties during the nine months ended January 31, 2024, and 2023:

	Nine months ended	
	January 31, 2024	January 31, 2023
	\$	\$
Consulting fees to Director and CEO	204,650	85,500
Professional fees to CFO	18,000	18,000
	<b>222,650</b>	<b>103,500</b>

The following amounts, which are unsecured and non-interest bearing, are reported in accounts payable and accrued liabilities, and related party liabilities:

	January 31, 2024	April 30, 2023
	\$	\$
Due to CEO	91,758	-
Due to previous director and interim CEO	-	85,500
Due to CFO**	50,550	32,550
A company controlled by a former CFO of the Company*	-	82,215
	<b>142,308</b>	<b>200,265</b>

\*Amounts are included in accounts payable and accrued liabilities

\*\*On April 30, 2021, the Company entered into a consulting service agreement with the CFO, whereby the Company agreed to pay \$2,000 per month for consulting services.

## 9. ACQUISITION AND EXPLORATION EXPENDITURES

Acquisition and exploration expenditures for the nine months ended January 31, 2024, and for the year ending April 30, 2023, were as follows:

	Misisi Gold Project	Black Dog Lake Project	Wings Shear Property	Total Costs
	\$	\$	\$	\$
Exploration expenditures	20,348	-	-	20,348
<b>Balance, January 31, 2024</b>	<b>20,348</b>	<b>-</b>	<b>-</b>	<b>20,348</b>
Acquisition (Note 3)	12,293,693	-	-	12,293,693
Exploration expenditures	182,872	43,000	120,000	345,872
<b>Balance, April 30, 2023</b>	<b>12,476,565</b>	<b>43,000</b>	<b>120,000</b>	<b>12,639,565</b>

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## 9. ACQUISITION AND EXPLORATION EXPENDITURES (continued)

Exploration expenditures for the nine months ended January 31, 2024 were as follows:

	<b>Misisi Gold Project</b>
Geochemistry	532
Geological	8,358
Roads	11,458
<b>Exploration expenditures, January 31, 2024</b>	<b>20,348</b>

Exploration expenditures for the year ended April 30, 2023 were as follows:

	<b>Misisi Gold Project</b>	<b>Black Dog Lake Project</b>	<b>Wings Shear Property</b>	<b>Total Costs</b>
Mineral license renewals	182,872	-	-	182,872
Option agreement termination	-	43,000	120,000	163,000
<b>Exploration expenditures, April 30, 2023</b>	<b>182,872</b>	<b>43,000</b>	<b>120,000</b>	<b>345,872</b>

Management has determined that due to uncertainty on future recoverability of its mineral exploration and evaluation assets, acquisition and exploration costs are expensed as incurred.

### Misisi Gold Project, DRC.

On December 22, 2022, the Company entered into a share exchange agreement with Regency Mining Ltd. ("Regency") to acquire 100% of Regency, a private corporation existing under the laws of Seychelles. Regency owns a 99.43% interest in Casa Mining Ltd. ("Casa"), and indirectly through its ownership of Casa, owns a 73.84% interest in Leda Mining Congo S.A. ("Leda"). Leda owns an interest in and to the Misisi Gold Project ("Gold Project") located in the Fizi territory of South Kivu province, in the DRC. The Gold Project covers 133 square kilometers on three contiguous mining licenses, valid until 2045.

As consideration, the Company has recorded, during the year ended April 30, 2023, a net payment of \$12,293,693.

### Black Dog Lake Gold Project, Quebec

On August 4, 2020, the Company signed a property option agreement (the "Black Dog Agreement") to purchase the Black Dog Lake Gold property, which was comprised of 16 contiguous mineral claims, located in the James Bay region, Quebec. The Company staked an additional 9 claims thereby increasing the Black Dog Lake Gold property to 25 claims covering a total of 1,319.4 hectares.

Pursuant to the terms of the Black Dog Agreement and Amending Agreement, the Company could earn a 100% interest in the Black Dog Gold project:

Pursuant to the terms of the agreement, the Company paid \$80,000 cash and issued 28,572 shares with a fair value of \$167,500.

On January 25, 2023, the Company agreed to terminate the option agreement, resulting in a \$28,000 termination fee.

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## 9. ACQUISITION AND EXPLORATION EXPENDITURES (continued)

### Wings Shear Property, Newfoundland and Labrador

On January 4, 2021, the Company entered into a mineral property option agreement (the "Wings Shear Agreement"), to acquire a 100% interest in the Wings Shear Property. The property is comprised of 280 claim units covering 7,000 hectares located 32 kilometers northeast of Gander, Newfoundland and Labrador.

Pursuant to the terms of the Wings Shear Agreement, the Company paid \$58,130 cash, issued 128,571 shares with a fair value of \$731,813 and incurred \$250,000 in exploration expenses. The Company also paid \$4,500 cash and issued 12,857 common shares valued at \$74,250 as finder's fees for the Wings Shear Property.

On February 23, 2023, the Company agreed to terminate the above option agreement, resulting in a \$120,000 termination fee.

### BC Cariboo Property, British Columbia

On February 12, 2021, the Company issued 85,714 common shares with a fair value of \$5,100,000 to the shareholders of 1286492 BC in exchange for all of the issued and outstanding shares of 1286492 BC. The primary asset held by 1286492 BC was the BC Cariboo Property.

The BC Cariboo Property comprises multiple tenure blocks totaling more than 4,000 hectares and is comprised of three claim groups, the east, central, and west. The property strategically targets the Transitional or Basalt Siltstone of the Barkerville Terrain located in the Cariboo District, British Columbia.

During the year ended April 30, 2023, the BC Cariboo claims were forfeited.

## 10. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

*The Company's significant non-cash transactions during the nine months ended January 31, 2024, were as follows:*

- On June 15, 2023, the Company issued 62,500 shares from the exercise of RSU's. \$41,250 was transferred from contributed surplus to share capital.
- On June 15, 2023, the Company issued 250,000 restricted stock options with a fair value of \$165,000 pursuant to the Blue-Sky Trading Agreement.

*The Company's significant non-cash transactions during the year ended April 30, 2023, were as follows:*

- On February 17, 2023, the Company issued 4,169,786 common shares and settled debt of \$1,084,145.
- On December 22, 2022, the Company issued 16,000,000 common shares with a fair value of \$5,680,000 pursuant to the acquisition of Regency. The Company issued 2,000,000 finder common shares with a fair value of \$710,000 (Note 3).
- During the year ended April 30, 2023, 7,143 stock options expired and the Company transferred \$54,448 from contributed surplus to deficit.



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## 11. NON-CONTROLLING INTEREST

The following table summarizes the information related to the Company's subsidiary Leda Mining Congo S.A.

Non-controlling interest as at January 31, 2024:

	Leda Mining Congo S.A. \$
Opening balance	-
Acquisition of Regency Mining Ltd. (Note 3)	(1,901,902)
Net loss and comprehensive loss attributable to non-controlling interest	(57,501)
Ending Balance April 30, 2023	(1,959,403)
<b>Net loss and comprehensive loss attributable to non-controlling interest</b>	<b>(175,079)</b>
<b>Ending Balance January 31, 2024</b>	<b>(2,134,482)</b>

## 12. SEGMENTED INFORMATION

As at January 31, 2024, the Company's operations are located in Canada and the Democratic Republic of the Congo. As at January 31, 2024, the Company had assets and liabilities located as follows:

	Canada \$	Democratic Republic of the Congo \$	Total \$
<b>ASSETS</b>			
Cash	28,307	685	28,992
Receivables	8,334	-	8,334
Prepaid expenses	21,422	27,164	48,586
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	993,813	2,573,618	3,567,431
Related party liabilities	136,050	-	136,050
Deferred Consideration	-	2,679,400	2,679,400

As at April 30, 2023, the Company's operations are located in Canada and the Democratic Republic of the Congo. As at April 30, 2023, the Company had assets and liabilities located as follows:

	Canada \$	Democratic Republic of the Congo \$	Total \$
<b>ASSETS</b>			
Cash	266,983	14,055	281,038
Receivables	24,904	-	24,904
Prepaid expenses	29,258	18,447	47,705
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	701,439	2,406,263	3,107,702
Related party liabilities	118,050	-	118,050
Deferred Consideration	-	2,715,600	2,715,600

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## 12. SEGMENTED INFORMATION (continued)

During the nine months ended January 31, 2024, the Company had the following losses:

	Expenses in Canada	Expenses in Congo	Total
Acquisition and exploration expenditures	-	20,348	20,348
Other income and expenses	1,738,127	990,289	2,728,416
Net loss	1,738,127	1,010,637	2,748,764

During the year ended April 30, 2023, the Company had the following losses:

	Expenses in Canada	Expenses in Congo	Total
Acquisition and exploration expenditures	163,000	12,476,565	12,639,565
Other income and expenses	2,041,836	478,026	2,519,862
Net loss	2,204,836	12,954,591	15,159,427

## 13. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The aforementioned exploration and evaluation work will require additional financial resources. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended January 31, 2024, or during the year ended April 30, 2023.

## 14. FINANCIAL RISK MANAGEMENT

The Company is exposed to minimal financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### i. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and other receivables. The Company's cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high-quality financial institutions as determined by rating agencies. Management believes that its credit risk is not significant.

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## 14. FINANCIAL RISK MANAGEMENT (continued)

### ii. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. On January 31, 2024, the Company had a cash balance of \$28,992 (April 30, 2023 - \$281,038) to settle current liabilities of \$6,382,881 (April 30, 2023 - \$5,941,352). All the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

### iii. Currency Risk

As at January 31, 2024, a portion of the Company's financial assets and liabilities held in Canadian dollars and United States dollar consist of cash and cash equivalents, accounts payable and accrued liabilities and deferred consideration. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the functional currency. The Company is exposed to currency rate risk in other comprehensive loss, relating to foreign subsidiaries which operate in a foreign currency.

### iv. Commodity Price Risk

The Company is subject to price risk from fluctuations in the market prices of commodities as it relates to the possible underlying values of its commodity based mineral properties and the corresponding ability to raise funds for future operations. Management closely monitors commodity prices to determine the appropriate course of action to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.

### v. Interest Rate Risk

The Company does not have any loans. The Company is not currently exposed to significant interest rate risk.

## 15. SUBSEQUENT EVENTS

On February 15, 2024, the Company granted a total of 1,735,000 stock options ("Options") to purchase common shares of the Company to certain consultants pursuant to the Company's Stock Option Plan. Such Options are exercisable into common shares of the Company at an exercise price of \$0.22 per common share for a period of five years from the date of grant. The Options vest 1/4 immediately and 1/4 bi-annually thereafter. All of the Options expire on February 8, 2029. In addition, the Company has issued a total of 2,600,000 restricted share units ("RSUs") to certain consultants of the Company in accordance with the Company's Omnibus Equity Incentive Plan. Once vested, each RSU represents the right to receive one common share of the Company or the equivalent cash value thereof at the Company's discretion.

Subsequent to the quarter ending January 31, 2024, the Company received two legal claims related to agreements entered into during 2021. The Company is evaluating the merit of these legal claims and intends to take all necessary steps to defend and/or work with the plaintiffs on a mutual settlement.