



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

The accompanying unaudited condensed consolidated condensed consolidated interim financial statements of American Pacific Mining Corp. for the three months ended March 31, 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Table of Contents

Condensed Consolidated Interim Statements of Financial Position (unaudited)	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)	5
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)	6
Condensed Consolidated Interim Statements of Cash Flows (unaudited)	7
Notes to the Condensed Consolidated Interim Financial Statements (unaudited)	8
1) Corporate information and continuance of operations	8
2) Material accounting policy information and basis of preparation	9
3) Cash and cash equivalents	9
4) Property and equipment	9
5) Exploration and evaluation assets	10
6) Lease obligations	21
7) Share capital and reserves	22
8) Related party transactions and balances	23
9) Segmented information	24
10) Capital management	24
11) Financial instruments	25

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	March 31,	December 31,
	Note(s)	2024	2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	3	2,381,473	2,858,690
Amounts receivable		153,781	144,508
Other receivables	5	177,695	836,334
Prepaid expenses		205,184	174,600
		2,918,133	4,014,132
Non-current assets			
Reclamation deposits	5	149,594	147,043
Property and equipment	4	1,298,640	1,470,850
Exploration and evaluation assets	5	36,159,121	35,616,173
		37,607,355	37,234,066
TOTAL ASSETS		40,525,488	41,248,198
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	553,525	761,786
Current portion of lease obligations	6	471,916	452,374
		1,025,441	1,214,160
Non-current liabilities			
Lease obligations	6	661,616	766,729
Provision		157,572	155,743
		819,188	922,472
TOTAL LIABILITIES		1,844,629	2,136,632
SHAREHOLDERS' EQUITY			
Share capital	7	65,118,945	65,118,945
Warrants reserve	7	1,931,582	1,931,582
Stock options reserve	7	5,048,444	5,048,444
Accumulated deficit		(33,575,941)	(32,633,970)
Accumulated other comprehensive income (loss)		157,829	(353,435)
TOTAL SHAREHOLDERS' EQUITY		38,680,859	39,111,566
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		40,525,488	41,248,198
Corporate information and continuance of operations	1		
Commitments	5		
Segmented information	9		
Subsequent events	1, 5, 7		

These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Warwick Smith Director

/s/ Ken Cunningham Director

See accompanying notes to these unaudited condensed consolidated interim financial statements.

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		March 31, 2024	March 31, 2023
		\$	\$
Expenses (income)			
Consulting fees	8	130,735	212,338
Depreciation	4	9,753	9,754
Exploration and evaluation costs	5	688,121	1,015,012
Finance income		(17,659)	(36,532)
Finance costs	6	35,543	3,540
Foreign exchange loss		7,858	11,995
Gain on dilution in ownership of joint operation	5	(413,319)	-
General and administrative expenses		79,507	140,476
Directors' fees	8	16,197	16,334
Professional fees	8	128,183	126,588
Project evaluation costs		6,773	-
Shareholder information and investor relations		225,504	229,826
Transfer agent, regulatory and filing fees		32,248	56,983
Travel		12,527	18,498
Total expenses		(941,971)	(1,804,812)
Loss		(941,971)	(1,804,812)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		511,264	(18,790)
Loss and comprehensive loss		(430,707)	(1,823,602)
Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share)		(0.00)	(0.01)
Weighted average number of common shares outstanding - basic and diluted		196,588,051	176,773,937

See accompanying notes to these unaudited condensed consolidated interim financial statements.

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	Share capital		Warrants reserve	Stock options reserve	Accumulated deficit	Accumulated other comprehensive income (loss)	TOTAL
		#	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2023		196,588,051	65,118,945	1,931,582	5,048,444	(32,633,970)	(353,435)	39,111,566
Loss and comprehensive loss		-	-	-	-	(941,971)	511,264	(430,707)
Balance as of March 31, 2024		196,588,051	65,118,945	1,931,582	5,048,444	(33,575,941)	157,829	38,680,859
Balance as of December 31, 2022		176,773,937	59,705,367	1,425,310	4,216,809	(23,565,126)	159,358	41,941,718
Loss and comprehensive loss		-	-	-	-	(1,804,812)	(18,790)	(1,823,602)
Balance as of March 31, 2023		176,773,937	59,705,367	1,425,310	4,216,809	(25,369,938)	140,568	40,118,116

See accompanying notes to these unaudited condensed consolidated interim financial statements.

American Pacific Mining Corp.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		March 31, 2024	March 31, 2023
		\$	\$
Cash flow from (used in)			
OPERATING ACTIVITIES			
Loss		(941,971)	(1,804,812)
Accretion of lease obligation	6	35,543	3,540
Depreciation	4	189,678	15,879
Dilution gain on investment in joint operations	5	(413,319)	-
Unrealized loss on foreign exchange		(312,103)	-
Net changes in non-cash working capital items:			
Amounts receivable		(6,634)	5,261
Other receivables		980,936	-
Prepaid expenses		(30,308)	14,539
Inter-company balances		-	(188,969)
Accounts payable and accrued liabilities		(213,293)	(4,013)
Cash flow used in operating activities		(711,471)	(1,958,575)
INVESTING ACTIVITIES			
Acquisition costs of exploration and evaluation assets	5	(67,402)	-
Cash paid for reclamation deposits	5	-	(27,044)
Purchase of property and equipment		-	(3,437)
Recovery of exploration and evaluation assets		-	33,806
Cash flow used in investing activities		(67,402)	3,325
FINANCING ACTIVITIES			
Advances from the Joint Operator		412,143	-
Lease payments	6	(134,861)	(10,659)
Cash flow provided by financing activities		277,282	(10,659)
Effects of exchange rate changes on cash and cash equivalents		24,374	(7,916)
Decrease in cash and cash equivalents		(477,217)	(1,973,825)
Cash and cash equivalents, beginning of period	3	2,858,690	6,036,504
Cash and cash equivalents, end of period	3	2,381,473	4,062,679
Supplemental cash flow information			
Cash paid for income taxes		-	-
Cash paid for interest	6	107,016	-

See accompanying notes to these unaudited condensed consolidated interim financial statements.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

1) CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

American Pacific Mining Corp. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017, and is in the business of mineral exploration.

The Company’s head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

The Company’s shares are listed on the Canadian Securities Exchange (the “CSE”) under the symbol “USGD”. On February 25, 2022, the Company’s common shares began trading on the OTCQX Best Market (the “OTCQX”) under the ticker symbol of “USGDF”.

As of the date of the consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These unaudited condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. As at March 31, 2024, the Company had working capital of \$1,892,692 (December 31, 2023 – \$2,799,972) and an accumulated deficit of \$33,575,941 (December 31, 2023 – \$32,633,970). The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to fund operating costs over the next twelve months with cash and cash equivalents and through further equity financings. Management believes that the Company has sufficient working capital to meet its liabilities for the next twelve months.

Financings

On April 16, 2024, the Company completed a non-brokered private placement through the issuance of 22,500,000 units at a price of \$0.20 per unit for gross proceeds of \$4,500,000 (Note 7).

These unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2024 were approved by the Board of Directors on May 30, 2024.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

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

New accounting standards

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after January 1, 2024 have been issued. The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the financial statements.

3) CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023
	\$	\$
Cash	944,992	1,238,691
Cash equivalents	1,436,481	1,619,999
	2,381,473	2,858,690

4) PROPERTY AND EQUIPMENT

	Building	Computer equipment	Field equipment	Right-of-use assets	Total
	\$	\$	\$	\$	\$
COST					
As of December 31, 2023	62,877	16,233	31,247	1,955,879	2,066,236
Change in interest in the Joint Operation	-	-	(437)	(18,956)	(19,393)
Effect of movements on exchange rates	1,391	82	932	40,419	42,824
As of March 31, 2024	64,268	16,315	31,742	1,977,342	2,089,667
ACCUMULATED DEPRECIATION					
As of December 31, 2023	(44,010)	(11,761)	(7,597)	(532,018)	(595,386)
Addition	(3,199)	(573)	(2,347)	(183,559)	(189,678)
Change in interest in the Joint Operation	-	-	215	6,854	7,069
Effect of movements on exchange rates	(987)	(38)	(419)	(11,588)	(13,032)
As of March 31, 2024	(48,196)	(12,372)	(10,148)	(720,311)	(791,027)
Net book value as of March 31, 2024	16,072	3,943	21,594	1,257,031	1,298,640

During the three months ended March 31, 2024, the Company charged \$189,678 (March 31, 2023 – \$15,879) in depreciation of which \$179,925 was recognized as exploration and evaluation costs in the statements of loss (Note 5) (March 31, 2023 – \$6,125).

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets

Project / Property	Balance as of December 31, 2023 \$	Acquisition costs \$	Change in interest in the Joint Operation \$	Effect of movements in exchange rate \$	Balance as of March 31, 2024 \$
Alpha	17,298	-	-	2,942	20,240
Big Nugget	351,516	-	-	148	351,664
Danny Boy	2,173,605	-	-	2,577	2,176,182
Gooseberry	42,184	-	-	7,072	49,256
Haines Block	1,664,142	-	(187)	18,655	1,682,610
Madison	8,652,703	67,402	-	83,623	8,803,728
Palmer	15,302,382	-	-	244,345	15,546,727
Red Hill	155,861	-	-	3,447	159,308
South Lida	645,513	-	-	13,950	659,463
Tuscarora	4,487,860	-	-	98,961	4,586,821
Ziggurat	2,123,109	-	-	13	2,123,122
	35,616,173	67,402	(187)	475,733	36,159,121

Exploration and evaluation costs incurred by the Company during the three months ended March 31, 2024 and 2023

During the three months ended March 31, 2024

	Gooseberry project \$	Madison project \$	Tuscarora project \$	Palmer Property \$	Danny Boy Mine Property \$	TOTAL \$
Consulting	4,722	42,645	11,805	105,523	9,443	174,138
Depreciation	-	3,200	-	176,725	-	179,925
Drilling	-	-	-	56,910	-	56,910
Equipment rental	-	-	-	7,542	-	7,542
Field	502	10,139	1,842	65,774	-	78,257
Field office administration	608	77	226	143,337	-	144,248
Geological	5,408	7,596	4,827	63,982	5,965	87,778
Management fees	-	-	-	44,802	-	44,802
Recoveries	-	-	-	(142,093)	-	(142,093)
Royalty payments	-	-	-	4,516	-	4,516
Transportation	-	-	-	3,083	-	3,083
Travel	1,541	6,737	-	12,564	-	20,842
Technical studies	-	-	-	27,212	-	27,212
Social responsibility	-	-	-	961	-	961
	12,781	70,394	18,700	570,838	15,408	688,121

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)**During the three months ended March 31, 2023**

	Gooseberry project	Madison project	Tuscarora project	Palmer Property	TOTAL
	\$	\$	\$	\$	\$
Consulting	78,461	29,424	21,676	110,646	240,207
Depreciation	-	3,209	-	2,916	6,125
Drilling	48,680	-	-	139,513	188,193
Field	2,389	17,880	913	84,551	105,733
Field office administration	-	-	553	152,639	153,192
Field technicians	-	13,046	-	-	13,046
Geological	46,069	-	2,028	153,966	202,063
Royalty payments	-	-	-	5,859	5,859
Sample analysis	-	-	3,592	-	3,592
Transportation	-	-	456	-	456
Travel	4,905	-	2,169	9,052	16,126
Technical studies	-	-	-	79,100	79,100
Social responsibility	-	-	-	1,320	1,320
	180,504	63,559	31,387	739,562	1,015,012

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets, and, to the best of its knowledge, title to all of its properties, are properly registered and in good standing.

South Lida Project (Nevada, USA)

The Company holds 100% in the South Lida Project, originally acquired from related parties.

The Company is required to pay annual claim maintenance fees for the South Lida Project. The Company has made the required annual claim maintenance fees to date for the South Lida Project.

Tuscarora Project (Nevada, US)

On November 6, 2017, the Company entered into an option agreement (the "Tuscarora Option Agreement") with Novo Resources Corp. The Tuscarora Option Agreement was amended on December 18, 2019 (the "Amended Tuscarora Option Agreement"). Pursuant to the Tuscarora Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Project (the "Tuscarora Option").

Pursuant to the Amended Tuscarora Option Agreement, the Company:

- a) made \$400,000 in cash payments to Novo Resources Corp.; and
- b) issued 266,667 common shares of the Company to Novo Resources Corp.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora Project (Nevada, US) (continued)

In addition, to earn the Tuscarora Option, the Company will have to incur US\$100,000 in expenditures on the property annually, starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter¹.

The property is subject to Net Smelter Returns (the "NSR") royalties of 0.5% which may be reduced to nil (0%) by paying US\$500,000.

In addition, the Company is also required to make the following payments to Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora Project:

a) Annual minimum royalty payments

On or before:	\$	
November 7, 2018	4,000	Paid
November 7, 2019	4,000	Paid
November 7, 2020	4,000	Paid ²
November 7, 2021	8,000	Paid
November 7, 2022	8,000	Paid
November 7, 2023	8,000	Paid
November 7, 2024	8,000	
November 7, 2025	8,000	
November 7, 2026 and each succeeding anniversary	12,000	

b) Production royalty based on the NSR from the production and sale of minerals from the Tuscarora Project. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora Project for which the royalty is payable as follows:

- less than or equal to \$1,500 Two percent (2%)
- greater than \$1,500 but less than or equal to \$2,000 Three percent (3%)
- greater than \$2,000 Four percent (4%)

The royalty percentage which will apply for all other minerals produced is 2.5% of the NSR.

In addition, the Company is required to pay annual claim maintenance fees for the Tuscarora Project. The Company has made the required annual claim maintenance fees to date for the Tuscarora Project.

¹ This amount has been incurred annually since the first anniversary of the listing date.

² Paid by AmmPower Corp.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora Project (Nevada, US) (continued)

Lease assignment agreement with Ubica Gold Corp. (“Ubica”)

On September 15, 2021, the Company entered into a lease assignment agreement with Ubica Gold Corp. (“Ubica”) (the “Ubica Agreement”). Pursuant to the terms of the Ubica Agreement, the Company issued 3,700,000 common shares with fair value of \$3,293,000 (the “Ubica Payment Shares”) and paid \$800,000 in cash to Ubica on September 15, 2021 to acquire claims at Tuscarora. The Ubica Payment Shares are subject to voluntary hold periods, with 25% of the Ubica Payment Shares released on September 15, 2021 and an additional 25% released every 6 months thereafter until all Ubica Payment Shares have been released.

The Ubica Agreement consists of three sublease agreements:

- An agreement entered between Ubica and RS Gold, LLC (the “RS Agreement”);
- An agreement entered between Ubica and Timothy Tigerman (the “Tigerman Agreement”); and
- An agreement entered between Ubica and Jerry K. and Lori L. Fogle, Debra L. Jacob, and Lanny and Pamela M. Morrison (collectively the “RH Lessor”) (the “Rose Hill Agreement”).

(collectively, the “Ubica Sublease Agreements”)

Pursuant to the Ubica Agreement, the Company is responsible for making the payments which are due on or after September 15, 2021 under the Ubica Sublease Agreements.

- **RS Agreement**

The initial term (the “RS Initial Term”) of the RS Agreement is 20 years from April 23, 2019, the date which the RS Agreement was signed. Ubica has the option to extend the RS Agreement for an additional 20 years (the “RS Renewal Term”).

Pursuant to the RS Agreement, the Company will make the following payments:

Advanced royalty payment

- US\$20,000 on or before April 23, 2022 (paid);
- US\$30,000 on or before April 23, 2023 (paid);
- US\$40,000 on or before April 23, 2024 (paid subsequent to March 31, 2024); and
- US\$50,000 on or before April 23, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.

The annual work commitment required pursuant to RS Agreement had been fulfilled by Ubica.

The RS Agreement is subject to a 3% NSR. During the RS Initial Term and the RS Renewal Term, Ubica has the option to purchase up to a 2% NSR of the total 3% NSR for US\$1,000,000 per each 1% NSR.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Tuscarora Project (Nevada, US) (continued)

Lease assignment agreement with Ubica Gold Corp. (“Ubica”) (continued)

- **Tigerman Agreement**

The initial term (the “Tigerman Initial Term”) of the Tigerman Agreement is 20 years from June 25, 2021, the date which the Tigerman Agreement was signed. Ubica has the option to extend the Tigerman Agreement for an additional 20 years (the “Tigerman Renewal Term”).

Pursuant to the Tigerman Agreement from the Tigerman Initial Term to June 25, 2040, the Company is subject to advance annual royalties with the first payment of US\$10,000 due on or before June 25, 2022. The advance annual royalties will increase by 10% each subsequent year.

The 2022 annual royalty of US\$10,000 was paid by Ubica and reimbursed by the Company during the year ended December 31, 2022.

- **Rose Hill Agreement**

The initial term (the “RH Initial Term”) of the Rose Hill Agreement is 10 years from June 30, 2021, the date which the Rose Hill Agreement was signed. Ubica has the option to extend the Rose Hill Agreement for an additional 10 years (the “RH Renewal Term”).

The initial term (the “RH Initial Term”) of the Rose Hill Agreement is 10 years from June 30, 2021, the date which the Rose Hill Agreement was signed. Ubica has the option to extend the Rose Hill Agreement for an additional 10 years (the “RH Renewal Term”).

Pursuant to the Rose Hill Agreement, the Company will make the following payments:

Advance royalty payment

- US\$6,000 on June 30, 2021 (paid);
- US\$12,000 on or before June 30, 2022 (paid);
- US\$18,000 on or before June 30, 2023 (paid);
- US\$24,000 on or before June 30, 2024; and
- US\$36,000 on or before June 30, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.

Annual work commitment

- US\$30,000 during the first year from the RH Initial Term (fulfilled);
- US\$80,000 during the second year from the RH Initial Term (fulfilled); and
- US\$100,000 during the third year from the RH Initial Term.

The Rose Hill Agreement is subject to a 3% NSR. During the RH Initial Term and the RH Renewal Term, Ubica has the option to purchase up to a 2% NSR of the total 3% NSR for US\$1,000,000 per each 1% NSR.

The Company has reclamation deposits of \$27,079 (US\$20,000) (December 31, 2023 – \$26,493 (US\$20,000)) as collateral on the Tuscarora Project.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Madison Project (Montana, USA)

The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway Gold Corp. (“Broadway”), a wholly-owned subsidiary of the Company, on April 30, 2019, whereby Kennecott Exploration Company (“Kennecott”), part of the Rio Tinto Group (ASX, LON: RIO) must spend US\$30 million to earn up to 70% of the Madison Project (the “MP Earn-In Agreement”).

Under the terms of the earn-in agreement, Kennecott has an option to acquire a 55% undivided interest (the “First Option”) in the property by incurring exploration and related expenditures of US\$5 million³ within the first five years, including a minimum exploration budget of US\$1 million in the first year.

If Kennecott exercises the First Option, it may elect to earn an additional 10% undivided interest (the “Second Option”), for a total undivided interest of 65%, by incurring additional expenditures of US\$10 million⁴ within the following three years.

If Kennecott exercises the Second Option, it may elect to earn an additional 5% undivided interest (the “Third Option”), for a total of 70%, by incurring additional expenditures of US\$15 million⁴ within the subsequent three-year period. Kennecott may elect to create the joint venture after exercising each option to earn in.

In addition, in order to exercise the First Option, Kennecott is required to make the following cash payment to Broadway in an amount of US\$225,000 over the first five years:

- US\$50,000 on April 30, 2019 (paid);
- US\$25,000 on or before April 30, 2020 (paid);
- US\$25,000 on or before April 30, 2021 (paid)⁴;
- US\$25,000 on or before April 30, 2022 (paid)⁵;
- US\$25,000 on or before April 30, 2023 (paid)⁶; and
- US\$75,000 on or before April 30, 2024.

On May 17, 2021, the Company entered into an amendment agreement (the “First Amendment Agreement”) with Kennecott. Under the First Amendment Agreement, the payment, including the annual pre-production payment of US\$50,000* due on April 1 of each year until the commercial production is commenced, made directly or indirectly by Kennecott to keep the Madison Project in good standing is considered as the Option Expenditures.

* US\$50,000 (\$67,402) due on April 1, 2024 was paid during the three months ended March 31, 2024.

³ Collectively the “Option Expenditures”

⁴ \$31,655 (US\$25,000) was recognized as a reduction of the carrying value of the Madison Project.

⁵ \$31,663 (US\$25,000) was recognized as a reduction of the carrying value of the Madison Project.

⁶ \$33,806 (US\$25,000) was recognized as a reduction of the carrying value of the Madison Project.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Madison Project (Montana, USA) (continued)

Pursuant to the earn-in agreement:

- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.
- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.
- Broadway has a right of first offer to acquire Kennecott's interest in the property in the event Kennecott wishes to divest its interest.
- The joint venture may be formed with 55% to Kennecott and 45% to Broadway upon the Kennecott exercise of the First Option, 65% to Kennecott and 35% to Broadway upon the Kennecott exercise of the Second Option, or 70% to Kennecott and 30% to Broadway upon exercise of the Third Option.
- The joint venture will be managed by the Rio Tinto Group and financed by each participant in accordance with its interest.
- Broadway may elect to not finance its interest and be diluted down to a 10% interest. If Broadway is diluted below 10% interest, its interest will convert to a 2% NSR with a maximum amount payable of US\$50 million.

On February 5, 2024, Kennecott decided not to proceed with the MP Earn-In Agreement; as a result, the Company regained 100% ownership of Madison.

Gooseberry Project (Nevada, USA)

On April 23, 2019, the Company acquired through staking the Gooseberry Mine in Storey County, Nevada, USA. The Company is required to pay annual claim maintenance fees for the Gooseberry Project. The Company has made the required annual claim maintenance fees to date for the Gooseberry Project.

The Company has reclamation deposits of \$20,310 (US\$15,000) (December 31, 2023 – \$19,870 (US\$15,000)) as collateral on the Gooseberry Project.

Red Hill Project (Nevada, USA)

On July 29, 2021 (the "RH Effective Date"), the Company entered into a ten-year renewable lease agreement for the Red Hill Project (the "RH Lease Agreement") with Nevada North Resources (USA) Inc. ("Nevada North").

Pursuant to the RH Lease Agreement the Company is required to make the first payment of US\$25,000 (paid) Nevada North to hold the Red Hill property for one year from the RH Effective Date and make the following annual payment to Nevada North:

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Red Hill Project (Nevada, USA) (continued)

- 2nd payment on July 29, 2022 – US\$25,000 (paid);
- 3rd payment on July 29, 2023 – US\$25,000 (paid – \$33,652);
- 4th payment on July 29, 2024 – US\$40,000;
- 5th payment on July 29, 2025 – US\$40,000;
- 6th payment on July 29, 2026 – US\$45,000;
- 7th payment on July 29, 2027 – US\$50,000;
- 8th payment on July 29, 2028 – US\$55,000;
- 9th payment on July 29, 2029 – US\$55,000; and
- 10th payment on July 29, 2030 – US\$55,000⁷.

In addition, the Company is required to pay annual claim maintenance fees for the Red Hill Project. The Company has made the required annual claim maintenance fees to date for the Red Hill Project.

Upon commencement of commercial production, the Company is required to pay Nevada North a royalty on production equal to 3% of NSR of which 1.5% the Company may be bought back for US\$3,000,000.

In addition, one of the Company's directors own 10% interest of the Red Hill Project.

Palmer Project (Alaska, USA)

During the year ended December 31, 2022, the Company acquired the Palmer Project which included the Palmer Property and the Haines Block Lease, through the acquisition of Constantine Metal Resources Ltd. ("Constantine").

- **Palmer Property**

The Palmer Property is comprised of mining claims subject to a 99-year mining lease, dated December 19, 1997, and mining claims located near Haines, Alaska. To maintain the lease, there is a requirement to make annual advance royalty payments of US\$42,500 and pay Federal claim annual maintenance fees.

The lease is subject to a 2.5% NSR royalty. The lessee has a right of first refusal to purchase the NSR or any portion thereof at any time during the term of the lease. The advance royalty payments are deductible from the NSR royalty.

The Palmer Property is held by is held by Constantine Mining LLC ("CML") which is jointly owned by Constantine and Dowa Metals & Mining Co., Ltd. ("Dowa"). During the year ended December 31, 2023, the Company entered into a financial arrangement with Dowa for the 2023 Palmer Program for the funding requirement from January 1, 2023 and October 31, 2023 (the "2023 Funding Period"). During the 2023 Funding Period, Dowa advanced \$9,493,001 (US\$7,061,278) on behalf of the Company (Note 8). Subsequently, the Company decided not to contribute to the 2023 Palmer Program; as a result, pursuant to the financial arrangement, the Company's interest was diluted from 40.78% to 32.75%.

Following the 2023 Funding Period through December 31, 2023, Dowa extended an additional \$1,711,103 to the 2023 Palmer Program, for the Company's interest. Consequently, in accordance with the CML members' agreement, the Company's interest decreased from 32.75% to 31.53%.

⁷ Beginning on the 11th payment due on July 29, 2031, the annual payment of US\$55,000 will be adjusted for inflation based on to the United States Department of Labor Consumer Price Index.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Palmer Project (Alaska, USA) (continued)

- **Palmer Property (continued)**

During the three months ended March 31, 2024, Dowa and the Company made capital contributions of US\$975,000 and US\$nil, respectively, to CML. As a result, the ownership interest in CML held by Dowa and the Company changed to 68.79% and 31.21%, respectively, as of March 31, 2024 (December 31, 2023 – 68.47% and 31.53%, respectively).

As a result of the change in ownership, the Company recognized a gain of \$413,319 in the consolidated statement of profit or loss during the three months ended March 31, 2024 (March 31, 2023 – \$nil).

Under the terms of the CML members' agreement, Constantine is the operator of CML and each party is responsible for its proportionate share of expenses, determined on the basis of ownership and subject to dilution according to standard dilution provisions. As an operator of CML, Constantine charges CML 7% management fees on eligible expenditures incurred.

As at March 31, 2024, the balance due from Dowa relating to the 7% management fees and other disbursements included in other receivable were \$177,695 (December 31, 2023 – \$836,334).

For accounting purposes, Constantine's interest in CML has been considered a joint operation and its proportionate interest in the accounts of CML has been consolidated within the Company's consolidated financial statements.

- **Haines Block Lease**

The Haines Block is contiguous with and surrounds the Federal and State mining claims that make up the Palmer Property. The lease agreement was signed by Constantine and the Alaska Mental Health Trust.

To maintain the lease, the Company is required to make:

- Annual payments of US\$25,000 per year for the initial 3-year lease term, US\$40,000 for years 4 to 6, US\$55,000 for years 7 through 9;
- Work commitments of US\$75,000 per year, escalating by US\$50,000 annually; and
- Annual payments are replaced by royalty payments upon achieving commercial production.

In addition, production royalties payable to the Alaska Mental Health Trust Authority include a sliding scale of 1% to 4.5% royalty for gold, based on the gold price, and a 3.5% royalty on minerals other than gold.

Approximately 6% of the Haines Block land parcel with surface and mineral rights has been assigned to CML on September 1, 2017.

The Company has reclamation deposits of \$102,205 (US\$75,545) (December 31, 2023 – \$100,680 (US\$76,003)) as collateral on the Palmer Project.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Big Nugget Property (Alaska, USA)

In connection with the acquisition of Constantine, the Company acquired the Big Nugget Property, a portion of the Haines Block Lease which has not been assigned to CML.

Alpha Project (Nevada, USA)

On April 27, 2023, the Company entered into a definitive agreement (the "CGI Agreement"), pursuant to which the Company acquired all of the issued and outstanding common shares of Clearview Gold Inc. ("CGI") (the "CGI Acquisition"). In connection with the CGI Acquisition, the Company acquired the Alpha Project which is 100% owned by CGI.

In addition, the Company is required to pay annual claim maintenance fees for the Alpha Project. . The Company has made the required annual claim maintenance fees to date for the Alpha Project.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 2.5% of NSR of which 0.5% the Company may buy back for US\$500,000.

Ziggurat Project (Nevada, USA)

In connection with the CGI Acquisition, the Company acquired the Ziggurat Project which is 100% owned by CGI and is currently under a joint venture agreement with Centerra Gold Inc. ("Centerra"). Centerra has the option to spend up to US\$6 million to earn 70% of the project until Year 2026.

Pursuant to the joint venture agreement with Centerra, Centerra is required to make the following annual payment to CGI and incur the minimum expenditures on the project:

Annual payments:

- US\$20,000 due on or before July 8, 2023 (paid)⁸;
- US\$20,000 due on or before July 8, 2024;
- US\$20,000 due on or before July 8, 2025; and
- US\$20,000 due on or before July 8, 2026.

Annual work commitment

- US\$500,000 on or before July 8, 2023 (fulfilled);
- US\$750,000 on or before July 8, 2024;
- US\$1,250,000 on or before July 8, 2025;
- US\$1,500,000 on or before July 8, 2026; and
- US\$2,000,000 on or before July 8, 2027.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 1.5% of NSR of which 0.5% the Company may buy back for US\$500,000.

In addition, pursuant to the CGI Agreement, the Company will be required to issue 4,500,000 common shares of the Company to NewQuest Capital Inc. ("NewQuest"), the largest CGI Shareholder, in the event that:

- the option agreement dated July 8, 2022 (the "Ziggurat Option Agreement") among CGI, CV Gold Inc., a wholly owned subsidiary of CGI, and Centerra (U.S.) Inc. (Centerra US), a wholly owned subsidiary of Centerra, is in good standing on January 31, 2024; and

⁸ \$26,829 (US\$20,000) was recognized as a reduction of the carrying value of the Ziggurat Project.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Ziggurat Project (Nevada, USA) (continued)

- by January 31, 2024, Centerra US has either:
 - commenced making the second tranche of annual expenditures required by the Ziggurat Option Agreement;
 - or
 - provided formal assurances to the Company that it intends to keep the Ziggurat Option Agreement in good standing following the third anniversary of the effective date of the Ziggurat Option Agreement.

Subsequent to March 31, 2024, Centerra terminated the Ziggurat Option Agreement.

Danny Boy Mine Property (Nevada, USA)

In connection with the CGI Acquisition, the Company acquired the Danny Boy Mine Property which included the Danny Boy Claims and the Lappin Project.

For the Danny Boy Claims, under the option agreement entered with NewQuest, CGI has the option to acquire a 100% interest in the claims by:

- issuing 500,000 common shares of the Company to NewQuest on or before August 11, 2023 (issued by CGI prior to the CGI Acquisition); and
- making a cash payment of \$4,000,000 to NewQuest on completion of a pre-feasibility study.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 1.5% of NSR, of which 0.5% the Company may buy back for US\$500,000.

In addition, pursuant to the assignment agreement entered with NQ Holdings Inc., CGI has granted a lease right for the Lappin Project until April 14, 2032. To maintain the lease right, CGI has to make the following annual minimum payments to Lappin LLC (the "Lappin Annual Payments"):

- \$12,500 on or before April 15, 2023 (paid by CGI prior to the CGI Acquisition);
- \$15,000 on or before April 15, 2024 (paid subsequent to March 31, 2024);
- \$20,000 on or before April 15, 2025;
- \$30,000 on or before April 15, 2026, and each year until April 14, 2032.

CGI is also required to incur a total work commitment of \$350,000, of which \$100,000 and \$250,000 should be incurred on or before April 15, 2025 and April 15, 2028, respectively.

The Company also has an option to acquire a 100% interest in Lappin by making a \$500,000 payment minus any Lappin Annual Payment which had been made previously to Lappin LLC.

Upon commencement of commercial production, the Company is required to pay a royalty on production equal to 3% of NSR, of which 1% the Company may buy back for US\$1,000,000 and another 1% may buy back for US\$2,000,000 at any time.

In addition, the Company is required to pay annual claim maintenance fees for the Danny Boy Mine Property. The Company has made the required annual claim maintenance fees to date for the Danny Boy Mine Project.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

6) LEASE OBLIGATIONS

	\$
As of December 31, 2023	1,219,103
Accretion	35,543
Payments	(134,861)
Change in interest in the Joint Operation	(10,740)
Effect of movements on exchange rates	24,487
As of March 31, 2024	1,133,532
Current	471,916
Long-term	661,616
	1,133,532
Minimum lease payments for each fiscal year:	
2024	411,604
2025	801,806
2026	45,197
2027	19,005
	1,277,612
Amount representing interest	
2024	(79,864)
2025	(58,352)
2026	(5,488)
2027	(376)
	(144,080)

The Company entered into two office leases which are considered short-term leases. During the three months ended March 31, 2024, the expense relating to payments not included in the measurement of the lease liability is \$13,916 (March 31, 2023 – \$9,116).

7) SHARE CAPITAL AND RESERVES

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

As of March 31, 2024, the Company had 196,588,051 common shares issued and outstanding (December 31, 2023 – 196,588,051) with a value of \$65,118,945 (December 31, 2023 – \$65,118,945).

During the three months ended March 31, 2024 and 2023, no share capital transactions occurred.

Subsequent to March 31, 2024

On April 16, 2024, the Company completed a non-brokered private placement through the issuance of 22,500,000 units at a price of \$0.20 per unit for gross proceeds of \$4,500,000. Each unit consists of one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.30 until April 16, 2026. In connection with the non-brokered private placement, the Company paid finder's fees of \$191,450 in cash and issued 957,250 finder's warrants. The finder's warrants are non-transferable, exercisable at \$0.30 for one common share of the Company until April 16, 2026 and are subject to a 4 month hold period as required by Canadian securities laws.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

7) SHARE CAPITAL AND RESERVES (CONTINUED)

Warrants

No warrants were issued, exercised or expired during the three months ended March 31, 2024 and 2023.

The following summarizes information about warrants outstanding as of March 31, 2024:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
August 12, 2025	0.34	3,888,849	915,294	1.37
October 10, 2024	0.35	2,380,183	394,101	0.53
		6,269,032	1,309,395	1.05
Weighted average exercise price (\$)		0.34		

Stock options

The Company has a Stock Option Plan (the "Plan") applicable to directors, officers and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, an option's maximum term is ten years from the grant date. Under the stock option plan, the Board of the Company has the option of determining vesting periods.

No stock options were granted, exercised or expired during the three months ended March 31, 2024.

During the three months ended March 31, 2023

- 66,075 stock options with an exercise price of \$0.84 expired unexercised.
- 1,951,415 stock options were cancelled.

No share-based payments expense arising from stock options were recognized during the three months ended March 31, 2024 and 2023.

The following summarizes information about stock options outstanding and exercisable at March 31, 2024:

Expiry date	Exercise price (\$)	Options outstanding	Options exercisable	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
June 14, 2024	0.61	116,732	116,732	13,008	0.21
May 14, 2025	0.33	50,000	50,000	6,350	1.12
July 22, 2025	0.49	1,900,000	1,900,000	581,062	1.31
August 1, 2025	0.19	220,250	220,250	56,780	1.34
May 27, 2026	0.27	1,700,000	1,700,000	302,317	2.16
July 19, 2026	0.71	100,000	100,000	47,247	2.30
October 25, 2026	0.34	745,546	745,546	194,822	2.57
February 28, 2027	1.01	2,900,000	2,900,000	1,827,754	2.92
November 23, 2028	0.25	5,700,000	5,700,000	866,168	4.65
		13,432,528	13,432,528	3,895,508	3.25
Weighted average exercise price (\$)		0.46	0.46		

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

8) RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the three months ended March 31, 2024 and 2023:

	For the three months ended	
	March 31, 2024	March 31, 2023
	\$	\$
Warwick Smith, CEO and Director		
Consulting fees ⁽¹⁾	76,766	76,767
Eric Saderholm, Managing Director of Exploration and Director, Former President		
Consulting fees	4,705	-
Exploration and evaluation costs	62,337	71,028
	67,042	71,028
Alnesh Mohan, CFO and Corporate Secretary		
Professional fees ⁽²⁾	78,400	68,640
Ken Cunningham, Director		
Directors' fees	8,100	8,167
Joness Lang, President and Director		
Consulting fees ⁽³⁾	33,000	-
Directors' fees ⁽³⁾	-	8,167
	33,000	8,167
Ali Hakimzadeh, Director		
Directors' fees	8,097	-
Peter Mercer, Senior Vice President, Advance Projects and President of Constantine North Inc.		
Management fees ⁽⁴⁾	20,551	-
TOTAL	291,956	232,769

(1) Paid to Harbourside Consulting Ltd. which is controlled by Mr. Smith.

(2) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner. Fees were paid for provision of CFO, financial reporting, accounting support and transaction support services.

(3) Paid to EBC Consulting Group Ltd. which is controlled by Mr. Lang.

(4) The Company incurred management fees of \$65,178 during the three months ended March 31, 2024 (March 31, 2023 – \$nil) of which \$44,628 was charged to Dowa.

As at March 31, 2024, the balances due to the Company's directors and officers included in accounts payables and accrued liabilities were \$91,413 (December 31, 2023 – \$74,507). These amounts are unsecured, non-interest bearing and payable on demand.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

9) SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located as follows:

	March 31, 2024	Canada	United States
	\$	\$	\$
Non-current assets			
Reclamation deposits	149,594	-	149,594
Property and equipment	1,298,640	78,664	1,219,976
Exploration and evaluation assets	36,159,121	-	36,159,121

	December 31, 2023	Canada	United States
	\$	\$	\$
Non-current assets			
Reclamation deposits	147,043	-	147,043
Property and equipment	1,470,850	122,417	1,348,433
Exploration and evaluation assets	35,616,173	-	35,616,173

10) CAPITAL MANAGEMENT

The Company defines its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the three months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

11) FINANCIAL INSTRUMENTS**Fair value**

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	March 31, 2024		FVTPL	Amortized costs		FVTOCI
	\$		\$	\$		\$
FINANCIAL ASSETS						
ASSETS						
Cash and cash equivalents	2,381,473		-	2,381,473		-
Amounts receivable	153,781		-	153,781		-
Other receivables	177,695		-	177,695		-
Reclamation deposits	149,594		-	149,594		-
FINANCIAL LIABILITIES						
LIABILITIES						
Accounts payable and accrued liabilities	(553,525)		-	(553,525)		-
Current portion of lease obligations	(471,916)		-	(471,916)		-
Lease obligations	(661,616)		-	(661,616)		-
FINANCIAL ASSETS						
ASSETS						
Cash and cash equivalents	2,858,690		-	2,858,690		-
Amounts receivable	144,508		-	144,508		-
Other receivables	836,334		-	836,334		-
Reclamation deposits	147,043		-	147,043		-
FINANCIAL LIABILITIES						
LIABILITIES						
Accounts payable and accrued liabilities	(761,786)		-	(761,786)		-
Current portion of lease obligations	(452,374)		-	(452,374)		-
Lease obligations	(766,729)		-	(766,729)		-

The carrying values of cash and cash equivalents, amounts receivable, other receivables and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments. Reclamation deposits approximate their fair value due to their liquidity. Lease obligations approximate its fair value as it has been discounted with an interest rate comparable to current market rates.

As at March 31, 2024 and December 31, 2023, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

11) FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and cash equivalents and amounts receivable.

The Company's cash and cash equivalents are held at a large Canadian and United States financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash and cash equivalents based in Canada and United States are accessible. The Company's amounts receivable balance includes the amounts due from the Government of Canada and Dowa (Note 5). The Company believes the credit exposure from the amounts receivable is not significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at March 31, 2024, the Company had cash and cash equivalents of \$2,381,473 and accounts payable and accrued liabilities of \$553,525.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

American Pacific Mining Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

11) FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

Interest Rate Risk (continued)

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and cash equivalents. A 1% change in interest rates on the balance of cash as of March 31, 2024 would result in an approximately \$24,000 change to the Company's loss for the three months ended March 31, 2024.

Foreign Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("\$" or "CA\$"). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable, reclamation deposits, and accounts payable and accrued liabilities are held in CA\$ and United States dollars ("US"); therefore, US accounts are subject to fluctuation against the CA\$.

The Company's financial instruments were denominated as follows as at March 31, 2024:

	CA\$	US\$
Cash and cash equivalents	1,548,704	615,057
Amounts receivable	31,829	90,070
Other receivables	59,761	87,103
Reclamation deposits	-	110,485
Accounts payable and accrued liabilities	(195,606)	(264,348)
Current portion of lease obligations	(36,337)	(321,705)
Lease obligations	(49,752)	(451,904)
	1,358,599	(135,242)
	Rate to convert to \$1.00 CA\$	1.00
		1.35
Equivalent to CA\$	1,358,599	(183,114)

Based on the above net exposures as of March 31, 2024, and assuming that all other variables remain constant, a 10% change of the CAD against the US would change profit or loss by approximately \$18,000.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.