

HARDCORE DISCOVERIES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2024, have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

HARDCORE DISCOVERIES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at September 30, 2024 and December 31, 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	September 30, 2024	December 31, 2023
ASSETS		
Current		
Cash	\$ 6,732	\$ 6,258
Amount receivable	18,686	15,865
	<u>\$ 25,418</u>	<u>\$ 22,123</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 733,119	\$ 515,326
Due to related parties (Note 7)	160,756	153,240
Termination liability (Note 5)	648,000	648,000
Note payable (Note 8)	15,000	15,000
	<u>1,556,875</u>	<u>1,331,566</u>
SHAREHOLDERS' DEFICIT		
Share capital (Note 6)	7,878,919	7,772,719
Contributed surplus	635,650	576,650
Deficit	<u>(10,046,026)</u>	<u>(9,658,812)</u>
	<u>(1,531,457)</u>	<u>(1,309,443)</u>
	<u>\$ 25,418</u>	<u>\$ 22,123</u>

Going concern (Note 2)
Subsequent Event (Note 11)

APPROVED ON BEHALF OF THE BOARD:

"Patrick Morris" Director
Patrick Morris

"Mark Luchinski" Director
Mark Luchinski

HARDCORE DISCOVERIES LTD.

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the three and nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Expenses				
Consulting fees (Note 7)	\$ 67,500	\$ 7,500	\$ 202,500	\$ 118,346
Depreciation	-	-	-	296
Filing fees	2,625	2,450	8,400	7,290
General exploration costs (Notes 5 and 7)	-	4,200	-	20,440
Office and general	367	471	1,027	2,115
Professional fees	4,775	938	5,113	37,374
Share based payments (recovery) (Notes 6 and 7)	59,000	(63,065)	165,200	(53,115)
Transfer agent	588	665	4,974	2,947
	134,855	(46,841)	387,214	135,693
Income (loss) before other items:	(134,855)	46,841	(387,214)	(135,693)
Other items:				
Gain on debt settlement (Notes 5, 6 and 7)	-	648,000	-	799,710
Termination fee (Note 5)	-	(725,000)	-	(725,000)
Write-off of equipment	-	-	-	(3,254)
Write-off of exploration and evaluation asset (Note 5)	-	(106,750)	-	(106,750)
	-	(183,750)	-	(35,294)
Net loss and comprehensive loss for the period	\$ (134,855)	\$ (136,909)	\$ (387,214)	\$ (170,987)
Basic and diluted loss per share	\$ (0.02)	\$ (0.03)	\$ (0.06)	\$ (0.03)
Weighted average number of common shares outstanding	6,204,275	5,431,123	6,089,261	5,152,120

See accompanying notes to condensed interim financial statements

HARDCORE DISCOVERIES LTD.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT**

For the nine months ended September 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Deficit
Balance, December 31, 2022	4,918,673	\$ 7,616,351	\$ 647,360	\$ (8,693,311)	\$ (429,600)
Shares issued pursuant to option agreement	25,000	6,250	-	-	6,250
Shares issued for debt settlement	487,450	73,118	-	-	73,118
Share-based payments stock options	-	-	(53,115)	-	(53,115)
Net loss for the period	-	-	-	(170,987)	(170,987)
Balance, September 30, 2023	5,431,123	\$ 7,695,719	\$ 594,245	\$ (8,864,298)	\$ (574,334)
Balance, December 31, 2023	6,031,123	\$ 7,772,719	\$ 576,650	\$ (9,658,812)	\$ (1,309,443)
Shares issued under restricted share unit plan ("RSU")	590,000	106,200	(106,200)	-	-
Share-based payments RSU plan	-	-	165,200	-	165,200
Net loss for the period	-	-	-	(387,214)	(387,214)
Balance, September 30, 2024	6,621,123	\$ 7,878,919	\$ 635,650	\$ (10,046,026)	\$ (1,531,457)

See accompanying notes to condensed interim financial statements

HARDCORE DISCOVERIES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the nine months ended September 30,	
	2024	2023
Operating Activities		
Net loss for the period	\$ (387,214)	\$ (170,987)
Items not affecting cash:		
Depreciation	-	296
Share-based payments (recovery)	165,200	(53,115)
Gain on debt settlement	-	(799,710)
Termination fees	-	725,000
Write-off of equipment	-	3,254
Write-off of exploration and evaluation asset	-	106,750
Changes in non-cash working capital items related to operations:		
Amount receivable	(2,821)	4,629
Prepaid expenses and deposits	-	4,457
Accounts payable and accrued liabilities	217,793	147,897
Cash used in operating activities	(7,042)	(31,529)
Financing Activity		
Due to related parties	7,516	16,984
Cash provided by financing activity	7,516	16,984
Change in cash during the period	474	(14,545)
Cash, beginning of period	6,258	21,027
Cash, end of the period	\$ 6,732	\$ 6,482
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash Transactions:		
Shares issued for exploration and evaluation assets	\$ -	\$ 6,250
Shares issued for RSU	\$ 106,200	\$ -
Shares issued for debt settlement	\$ -	\$ 73,118

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1. CORPORATE INFORMATION

Hardcore Discoveries Ltd. (formerly Makara Mining Corp.) (the “Company”) is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange (“CSE”). On April 28, 2020, the Company received a receipt from the British Columbia Securities Commission for its long-form prospectus dated April 27, 2020 and commenced trading on the CSE on May 4, 2020 under the trading symbol “MAKA”. On December 5, 2023, the Company changed the name to “Hardcore Discoveries Ltd.” The Company commenced trading on CSE under the new trading symbol “HARD” on December 7, 2023.

On November 23, 2023, the Company completed a share consolidation on the basis of one-post consolidation common share for every ten pre-consolidation common shares (the “Share Consolidation”). All share and per share amounts including the exercise price of the outstanding stock options, warrants and restricted share unit (“RSUs”) and the number of options, warrants and RSUs were proportionately adjusted upon the Share Consolidation. All historical information presented in the financial statements have been adjusted to reflect the Share Consolidation.

The Company was incorporated on September 17, 2019 in British Columbia. The head office of the Company is located at 409 Granville Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 1T2 and its registered and records office is located at 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

2. BASIS OF PREPARATION

(a) Statement of Compliance

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

The condensed interim financial statements were authorized for issue by the Board of Directors on November 27, 2024.

(b) Basis of Measurement

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 of the annual financial statements at December 31, 2023. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim financial statements are presented in Canadian dollars, unless otherwise noted.

(c) Going Concern

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At September 30, 2024, the Company has not achieved profitable operations, has accumulated losses of \$10,046,026 since inception and expects to incur further losses in the development of its business.

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

2. BASIS OF PREPARATION – (cont'd)

(c) Going Concern – (cont'd)

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and Russian Federation regarding the situation in Ukraine, the escalation of war in the Middle East and potential economic global challenges such as the risk of the higher inflation and energy crisis, may create further uncertainty and risk with respect to the prospects of the Company's business.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

3. MATERIAL ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at December 31, 2023.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

The assessment of the Company's ability to continue as a going concern requires significant judgement. See Note 2(c).

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

5. EXPLORATION AND EVALUATION ASSETS

	Win Property	Idaho Property	Total
<u>Deferred costs</u>			
Balance, December 31, 2022	60,567	100,500	161,067
Shares issued	-	6,250	6,250
Impairment	(60,567)	(106,750)	(167,317)
Balance, December 31, 2023 and September 30, 2024	\$ -	\$ -	\$ -

Summary of exploration expenditures for the nine months ended September 30, 2024 and 2023:

	For the nine months ended September 30,	
	2024	2023
<u>Win Property</u>		
Exploration expenditure		
Field and miscellaneous	\$ -	\$ 16,240
<u>Idaho Property</u>		
Claim maintenance	-	4,200
Total	\$ -	\$ 20,440

Win Property

On September 21, 2020, the Company staked 127 claims (Win Claims) which is contiguous with the southern boundary to the Rude Creek Property for a total of \$36,000. On September 30, 2021, the Company staked an additional 13 claims for a total of \$1,950. During the year ended December 31, 2022, the Company staked additional claims for a total of \$24,567.

During the year ended December 31, 2023, the Company recorded an impairment charge of \$60,567 as the mineral claims expired.

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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

Idaho Property

By a property option agreement dated August 19, 2020 and as amended on October 13, 2021 and March 21, 2023, the Company may earn a 100% interest in the Idaho property. The property consists of 58 mineral tenures located in the Whitehorse Mining District in the Yukon Territory. As consideration, the Company will pay of \$150,000, issue 75,000 (750,000 pre-consolidated) common shares of the Company and incur aggregate expenditures of \$2,000,000 as follows:

- a) Cash payment of \$5,000 (paid) and issuance of 2,500 (25,000 pre-consolidated) common shares (issued) of the Company upon execution of this agreement;
- b) Incur \$50,000 in exploration expenditures on or before December 1, 2020 (incurred);
- c) Cash payment of \$10,000 (paid) and issuance of 5,000 (50,000 pre-consolidated) common shares of the Company (issued) on or before May 1, 2021;
- d) Incur an additional \$25,000 in exploration expenditures on or before December 1, 2021 (incurred);
- e) Cash payment of \$20,000 (paid) and issuance of 10,000 (100,000 pre-consolidated) common shares of the Company on or before May 1, 2022 (issued);
- f) Issuance of 25,000 (250,000 pre-consolidated) common shares of the Company on or before May 1, 2023 (issued);
- g) Cash payment of \$40,000 on or before August 31, 2023;
- h) Incur an additional \$725,000 in exploration expenditures on or before December 1, 2023;
- i) Cash payment of \$75,000 and issuance of 32,500 (325,000 pre-consolidated) common shares of the Company on or before May 1, 2024; and
- j) Incur an additional \$1,200,000 in exploration expenditures on or before December 1, 2024.

Should the Company acquire 100% of the property, the optionor will retain a 2% net smelter returns royalty, 1% of which may be purchased by the Company for \$1,000,000.

The Company has agreed that if it does not incur the \$725,000 in exploration expenditures on or before December 1, 2023, the Company will pay the optionor the difference (the “Obligation”) on or before December 15, 2023.

In August 2023, the Company gave notice to the optionor to terminate the agreement and recorded an impairment charge of \$106,750.

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Notes to the Condensed Interim Financial Statements

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

On September 28, 2023, the Company entered into an agreement to settle the Obligation with the Optionor as follows: (i) make a cash payment of \$4,200 to keep certain of the mineral claims in good standing, (ii) issue 600,000 (6,000,000 pre-consolidated) common shares which are subject to resale restrictions of 150,000 (1,500,000 pre-consolidated) common shares (25%) that may be sold after the four month hold period and an additional 25% may be sold every four months thereafter with the last 25% 16 months from the date of issuance; and (iii) issue to the optionor additional common shares of the Company equal to 9.9% of any common shares the Company issues for non-cash consideration within a period of twelve months from October 12, 2023 (the “Contingent Shares”). During the year ended December 31, 2023, the Company recognized the Obligation as a termination fee. The Company estimated the fair value of the 600,000 (6,000,000 pre-consolidated) common shares to be issued to the optionor at \$77,000 based on the trading price of the shares on the date of issuance of \$0.30 (\$0.03 pre-consolidated) per share (October 19, 2023), discounted by the put option, calculated using the Black-Scholes option-pricing valuation model with the following assumptions – Share price on date of grant of \$0.30 (\$0.03 pre-consolidated), Risk-free interest rate of 4.77%, Dividend yield of 0%, forfeiture rate of 0% and Expected volatility of 254% to 312%, for the length of the hold period. Accordingly, there is a remaining termination liability of \$648,000. The Company determined that the Contingent Shares did not meet the criteria for equity under IAS 32 Financial Instruments: presentation and were recognized as a non-derivative liability.

6. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

(b) Issued

During the nine months ended September 30, 2024:

On September 3, 2024, pursuant to the RSU Plan, the Company issued 590,000 common shares in settlement of the RSU and transferred \$106,200 from contributed surplus.

During the year ended December 31, 2023:

On May 2, 2023, pursuant to the terms of the property option agreement, the Company issued 25,000 (250,000 pre-consolidated) common shares fair valued at \$6,250.

On May 30, 2023, the Company issued 487,450 (4,874,504 pre-consolidated) common shares to settle \$231,752 in debts with former directors, officers, and a consultant of the Company, resulting in a gain on debt settlements of \$158,634.

On October 19, 2023, pursuant to the Idaho property obligation settlement agreement, the Company issued 600,000 (6,000,000 pre-consolidated) common shares fair valued at \$77,000.

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL – (cont'd)**(c) Share Purchase Warrants**

The changes in share purchase warrants were as follows:

	September 30, 2024	Weighted Average Exercise Price	December 31, 2023	Weighted Average Exercise Price
Balance, beginning of period	351,821	\$0.90	537,421	\$2.32
Expired	(351,821)	0.90	(185,600)	5.00
Balance, end of period	-	-	351,821	\$0.90

(d) Stock Options

The Company adopted a stock option plan under which it is authorized to grant options and restricted share units to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The options can be granted for a maximum of ten years and vest as determined by the Board of Directors. The exercise price of each option granted may not be less than the fair market value of the common shares.

There were no stock options granted during the nine months ended September 30, 2024 and for the year ended December 31, 2023.

The changes in stock options were as follows:

	September 30, 2024	Weighted Average Exercise Price	December 31, 2023	Weighted Average Exercise Price
Balance, beginning of period	9,500	\$3.80	261,750	\$2.91
Forfeited	-	-	(252,250)	2.88
Balance, end of period	9,500	\$3.80	9,500	\$3.80

As at September 30, 2024, the Company had 9,500 stock options outstanding as follows:

Number of Stock Options	Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Life
9,500	9,500	\$3.80	March 16, 2025	0.46 years

(e) Restricted Share Unit

On April 30, 2024, the Company granted 590,000 RSUs to directors, officers and consultants of the Company that vested on the date of grant. The Company recognized \$106,200 as share-based payment, and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. On September 3, 2024, the Company issued 590,000 common shares to settle the RSU.

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

6. SHARE CAPITAL – (cont'd)**(e) Restricted Share Unit – (cont'd)**

On September 11, 2024, the Company granted 590,000 RSUs to directors, officers and consultants of the Company that vested on the date of grant. The Company recognized \$59,000 as share-based payment, and as the Company intends to settle the RSU through equity settlement, recorded a corresponding credit to contributed surplus. As at September 30, 2024, the shares have not been issued.

7. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	For the nine months ended September 30,	
	2024	2023
Consulting fees (reversal)		
Enermetal Ventures Inc., controlled by Patrick Morris, CEO and Director	\$ 90,000	\$ -
Grant Hendrickson, Former Director	-	35,000
Hugh Maddin, Former Director	-	36,000
Uranbileg Yondon, Former Director	-	(8,450)
	<u>90,000</u>	<u>62,550</u>
General exploration costs		
Uranbileg Yondon, Former Director	-	16,240
Share-based payments		
Patrick Morris, CEO and Director	70,000	-
Jasmine Cherian, CFO	8,400	-
Abbey Olaiya, Director	8,400	-
Mark Luchinski, Director	8,400	-
Hugh Maddin, Former Director	-	(21,037)
	<u>95,200</u>	<u>(21,037)</u>
	<u>\$ 185,200</u>	<u>\$ 57,753</u>

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

7. RELATED PARTY TRANSACTIONS AND BALANCES – (cont'd)

Included in accounts payable and accrued liabilities at September 30, 2024 is \$154,950 (December 31, 2023 – \$40,450) owed to a company controlled by the CEO, and the former directors of the Company for unpaid consulting fees and expense reimbursements. These amounts are non-interest bearing, unsecured and payable on demand.

On May 30, 2023, the Company issued 4,874,504 common shares to debt settle \$224,828 in debts with former directors and officers of the Company, resulting in a gain on debt settlement of \$151,710.

Due to related parties

As at September 30, 2024, due to related parties included \$149,813 (December 31, 2023 - \$149,813) owing to a former director of the Company for advances on working capital. This amount is non-interest bearing, unsecured and payable on demand.

As at September 30, 2024, due to related parties included \$6,743 (December 31, 2023 - \$3,227) due to Earthwise Minerals Corp., a company having common directors and officers. These amounts are non-interest bearing, unsecured and payable on demand. During the period ended September 30, 2024, \$3,227 was repaid.

As at September 30, 2024, due to related parties included \$4,200 (December 31, 2023 - \$200) due to the CEO in unpaid expense reimbursement. These amounts are non-interest bearing, unsecured and payable on demand.

8. NOTE PAYABLE

On December 1, 2023, the Company issued a promissory note for proceeds of \$15,000 to Amalfi Corporate Services Ltd. The promissory note is unsecured, non-interest bearing and is payable on demand.

9. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject to. Capital of the Company comprises of cash and shareholders' equity.

The Company manages the 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 the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management from the year ended December 31, 2023.

HARDCORE DISCOVERIES LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2024

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10. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at September 30, 2024 the Company had a working capital deficiency of \$1,531,457 (December 31, 2023 – working capital deficiency of \$1,309,443). The Company plans to raise financing from private placements to meet its current and future obligations.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Interest rate risk

The Company is not exposed to significant interest rate risk.

HARDCORE DISCOVERIES LTD.

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(Expressed in Canadian Dollars)

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10. FINANCIAL INSTRUMENTS AND RISKS – (cont'd)

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and accounts payable and accrued liabilities and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11. SUBSEQUENT EVENT

On November 21, 2024, the Company completed a non-brokered private placement and issued 6,600,000 of the Company at a price of seven cents per share for aggregate gross proceeds of \$462,000.