



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**THREE MONTH PERIOD ENDED
SEPTEMBER 30, 2023**

(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 interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Sassy Gold Corp.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at

| | September 30, 2023 | June 30, 2023 |
|--|-----------------------|------------------|
| | (\$) | (\$) |
| ASSETS | | |
| Current assets | | |
| Cash | 736,892 | 1,000,795 |
| Marketable securities (Note 4) | 3,176,147 | 3,570,863 |
| Prepays | 52,343 | 154,856 |
| Receivables (Note 5) | 125,247 | 104,203 |
| | 4,090,629 | 4,830,717 |
| Deposits (Note 6) | 73,051 | 73,051 |
| Exploration advances (Note 6) | 81,426 | 500,000 |
| Exploration and evaluation assets (Note 6) | 23,476,499 | 22,749,356 |
| | 27,721,605 | 28,153,124 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Notes 7 and 9) | 532,734 | 589,836 |
| Deferred income tax | 173,000 | 173,000 |
| Other liabilities (Note 8) | - | 100,918 |
| | 705,734 | 863,754 |
| Shareholders' equity | | |
| Share capital (Note 10) | 19,685,219 | 19,442,719 |
| Share subscriptions in advance (Note 10) | - | - |
| Reserves (Note 10) | 8,710,814 | 8,829,497 |
| Deficit | (7,022,761) | (6,796,771) |
| | 21,373,272 | 21,475,445 |
| Non-controlling interest (Note 14) | 5,642,599 | 5,813,925 |
| | 27,015,871 | 27,289,370 |
| | 27,721,605 | 28,153,124 |

Nature of Operations and Going Concern (Note 1)

Commitments (Notes 6 and 13)

Subsequent Event (Note 16)

On behalf of the Board:

"Mark Scott"

Director

"Terry Coughlan"

Director

See accompanying notes to the consolidated financial statements

Sassy Gold Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

| | Three Month Period Ended September 30, 2023 | Three Month Period Ended September 30, 2022 |
|---|--|--|
| | (\$) | (\$) |
| EXPENSES | | |
| Consulting fees (Note 9) | 46,421 | 207,550 |
| General and administrative | 20,184 | 86,120 |
| Management fees (Note 9) | 90,000 | 90,000 |
| Professional fees (Note 9) | 76,634 | 84,941 |
| Share-based payments (Notes 9 and 10) | 147,369 | 49,501 |
| Transfer agent and filing fees | 17,347 | 45,441 |
| Travel and promotion | 210,008 | 164,301 |
| | (607,963) | (727,854) |
| Flow-through share premium recovery (Note 8) | 100,918 | - |
| Gain (loss) on marketable securities (Note 4) | 80,719 | (1,112,200) |
| Interest income | 5,458 | 12,684 |
| Loss and comprehensive loss | (420,868) | (1,827,370) |
| Loss and comprehensive loss attributable to: | | |
| Shareholders | (225,990) | (1,694,310) |
| Non-controlling interest (Note 14) | (194,878) | (133,060) |
| | (420,868) | (1,827,370) |
| Basic and diluted loss per common share: | | |
| Shareholders | (0.00) | (0.02) |
| Non-controlling interest | (0.00) | (0.00) |
| Weighted average common shares outstanding: | | |
| Basic | 75,101,876 | 72,979,461 |
| Diluted | 75,101,876 | 72,979,461 |

See accompanying notes to the consolidated financial statements

Sassy Gold Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

| | Three Month Period Ended September 30, 2023 | Three Month Period Ended September 30, 2022 |
|--|--|--|
| | (\$) | (\$) |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Loss for the period | (420,868) | (1,827,370) |
| Items not affecting cash | | |
| Gain (loss) on marketable securities | (80,719) | 1,112,200 |
| Flow-through share premium recovery | (100,918) | - |
| Share-based payments | 147,369 | 49,501 |
| Changes in non-cash working capital items: | | |
| Sales tax receivable | (21,044) | 56,526 |
| Prepays | 102,513 | (198,063) |
| Accounts payable and accrued liabilities | (496,256) | 9,813 |
| | (869,923) | (797,393) |
| INVESTING ACTIVITIES | | |
| Exploration and evaluation expenditures | 130,585 | (4,054,750) |
| Proceeds from sale of short-term investments | 475,435 | - |
| | 606,020 | (4,054,750) |
| FINANCING ACTIVITIES | | |
| Common shares issued for cash | - | 3,420,035 |
| Gander Gold shares issued for cash | - | 3,999,963 |
| Gander Gold share issuance costs | - | (244,121) |
| Share issuance costs | - | (82,298) |
| | - | 7,093,579 |
| Change in cash during the period | (263,903) | 2,241,436 |
| Cash - beginning of period | 1,000,795 | 1,734,686 |
| Cash - end of period | 736,892 | 3,976,122 |

Supplemental Cash Flow Information (Note 15)

See accompanying notes to the consolidated financial statements

Sassy Gold Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

| | Number of Shares | Amount (\$) | Share Subscriptions (\$) | Reserves (\$) | Deficit (\$) | Total (\$) | NCI (\$) | Total Shareholder Equity (\$) |
|--|---------------------|----------------|--------------------------------|------------------|-----------------|---------------|-------------|--|
| Balance at June 30, 2022 | 55,870,006 | 16,679,630 | 214,875 | 4,022,689 | (3,738,388) | 17,178,806 | 5,189,679 | 22,368,485 |
| Common shares issued for cash | 18,640,566 | 3,634,910 | (214,875) | - | - | 3,420,035 | - | 3,420,035 |
| Share issuance costs | - | (146,398) | - | 64,100 | - | (82,298) | - | (82,298) |
| Dividend of Gander Gold shares | - | (750,923) | - | 1,131,152 | - | 380,229 | 503,207 | 883,436 |
| Gander Gold shares issued for cash | - | - | - | 2,677,271 | - | 2,677,271 | 801,228 | 3,478,499 |
| Gander Gold share issuance costs | - | - | - | - | - | - | (244,121) | (244,121) |
| Share-based payments | - | - | - | 23,104 | - | 23,104 | 26,397 | 49,501 |
| Loss for the period | - | - | - | - | (1,694,310) | (1,694,310) | (133,060) | (1,827,370) |
| Balance at September 30, 2022 | 74,510,572 | 19,417,219 | - | 7,918,316 | (5,432,698) | 21,902,837 | 6,143,330 | 28,046,167 |
| Gander Gold shares issued for property | 150,000 | 25,500 | - | 206,748 | - | 232,248 | 156,086 | 388,334 |
| Gander Gold share issuance costs | - | - | - | - | - | - | (7,678) | (7,678) |
| Share-based payments | - | - | - | 704,433 | - | 704,433 | 237,300 | 941,733 |
| Loss for the period | - | - | - | - | (1,364,073) | (1,364,073) | (715,113) | (2,079,186) |
| Balance at June 30, 2023 | 74,660,572 | 19,442,719 | - | 8,829,497 | (6,796,771) | 21,475,445 | 5,813,925 | 27,289,370 |
| Common shares issued - RSU exercise | 900,000 | 242,500 | - | (242,500) | - | - | - | - |
| Gander Gold shares issued - RSU exercise | - | - | - | (23,552) | - | (23,552) | 23,552 | - |
| Share-based payments | - | - | - | 147,369 | - | 147,369 | - | 147,369 |
| Loss for the period | - | - | - | - | (225,990) | (225,990) | (194,878) | (420,868) |
| Balance at September 30, 2023 | 75,560,572 | 19,685,219 | - | 8,710,814 | (7,022,761) | 21,373,272 | 5,642,599 | 27,015,871 |

See accompanying notes to the consolidated financial statements

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sassy Gold Corp. (the “Company”) was incorporated on June 3, 2019 under the Business Corporations Act (British Columbia). The Company is an exploration stage mining company currently engaged in the identification, acquisition and exploration of precious metal resources in Canada. The Company’s registered and records office is located at suite 400 – 1681 Chestnut Street, Vancouver, British Columbia, V6J 4M6. The Company’s shares are traded on the Canadian Securities Exchange (the “Exchange” or “CSE”) under the symbol “SASY”.

These 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. The Company has no sources of revenue, ongoing losses and a deficit of \$7,022,761.

In March 2022, Gander Gold Corporation (“Gander Gold”) completed the listing of its shares on the Exchange and this resulted in the conversion of outstanding Special Warrants into additional common shares. The net effect of this event and other common share issuances during the year ended June 30, 2022 was the dilution of the ownership interest in Gander Gold (Note 13) by the parent entity (“Sassy”),

Recent global issues, including the ongoing COVID-19 pandemic and geo-political conflicts have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company’s business or results of operations this time.

The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material. The above conditions may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION***Statement of compliance***

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards (“IFRS”) for annual financial statements, and therefore should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2023, prepared in accordance with IFRS as issued by the IASB

These condensed interim financial statements were approved by the Board of Directors of the Company on November 10, 2023.

Basis of measurement

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information, and financial instruments classified as financial instruments at fair value through profit or loss, or fair value through other comprehensive loss which are stated at fair value.

Functional and presentation currency

The functional currency of the Company and its non-wholly owned subsidiary, Gander Gold is the Canadian dollar, which is also the presentation currency of the financial statements.

Basis of consolidation

These consolidated financial statements include the accounts of Gander Gold, which was incorporated on February 3, 2021 under the Business Corporations Act (BC).

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Use of estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting 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, relate to, but are not limited to, the following:

Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Non-monetary transactions

Assets exchanged or transferred in non-monetary transactions are measured at the fair value of the asset given up or the fair value of the asset received, whichever is more reliable.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (continued)

Share-based payments

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model, which incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and, as a result, changes in subjective input assumptions can materially affect the fair value estimate.

Valuation of marketable securities

The Company holds investments in both private and publicly listed companies. Accordingly, the Company uses all 3 levels of the fair value hierarchy to estimate the fair value of its marketable securities. Publicly listed entities are valued using the closing trade price on the date of the transaction and at period end. Private companies are valued at the most recently completed financing, if available. Warrants are valued using the Black-Scholes option-pricing model. A discount for lack of marketability is applied when shares in investments are restricted.

Valuation of dividends

The Company declared non-cash dividends payable in common shares of Gander Gold. The Company has valued the dividend payable using the closing price of Gander Gold common shares on the Exchange.

Significant judgments that management has made at the end of the reporting period are as follows:

Carrying value and the recoverability of exploration and evaluation assets

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Control over Gander Gold

The Company must consolidate the results of another entity when control exists over that entity. The determination of control requires judgment to be exercised when the ownership interest is less than 51%. Other qualitative factors must be considered including, but not limited to, special voting rights or board and management in common.

Going concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at June 30, 2023.

4. MARKETABLE SECURITIES

| Name of Security | Carrying Value June 30, 2023 | Additions | Dispositions | Gain (Loss) | Fair Value September 30, 2023 |
|---|------------------------------------|-----------|--------------|-------------|-------------------------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Max Power Mining Corp. (MAXX.C) | 2,067,000 | - | 475,435 | 80,719 | 1,672,284 |
| Max Power Warrants (not listed for trading) | 303,863 | - | - | - | 303,863 |
| Galopper Gold Corp. (private company) | 1,200,000 | - | - | - | 1,200,000 |
| | 3,570,863 | - | | 80,719 | 3,176,147 |

The Company holds 8,000,000 common shares of Galopper Gold Corp ("Galopper"), a private gold exploration company. Accordingly, the Company valued its shareholdings at \$0.15 per share, the price of Galopper's most recently completed equity financing. Galopper is a related party by virtue of common management.

The Company received 5,000,000 common shares of Max Power Mining Corp. ("Max Power") pursuant to the Nicobat disposal agreement (Note 6). The common shares of Max Power are restricted and will be released to the Company in stages over 3 years. Accordingly, the Company has applied a discount for lack of marketability ranging from 0-20% on these common shares. The common shares are publicly listed on the Exchange. Max Power is a related party by virtue of having a director in common.

The Company also received 1,000,000 common share purchase warrants of Max Power. These warrants are exercisable at \$0.25 until February 15, 2024. The warrants vest 25% initially, 25% 12 months from grant, and 25% every 6 months thereafter. The Company has revalued the warrants at June 30, 2023 to \$303,863 (2022 - \$501,909) using a Black-Scholes option-pricing model and recorded a loss \$198,046 (2022 - \$294,366) on marketable securities.

The assumptions used in the valuation of the warrants are noted in the table below:

| Grant Date | Number of Warrants | Expected Price Volatility | Risk Free Interest Rate | Expected Life | Expected Dividend Yield | Fair Value Per Option | Total Fair Value |
|---------------|-----------------------|---------------------------------|-------------------------------|------------------|-------------------------------|--------------------------|------------------------|
| | | (%) | (%) | (yrs) | (%) | (\$) | (\$) |
| June 30, 2023 | 1,000,000 | 104 | 4.54 | 0.63 | - | 0.30 | 303,863 |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

5. RECEIVABLES

Receivables consist of GST receivable in the amount of \$120,247 (June 30, 2023 - \$99,203) and other receivables of \$5,000 (June 30, 2023 - \$5,000)

6. EXPLORATION AND EVALUATION ASSETS**Foremore Property, British Columbia**

In November 2020, the Company acquired a 100% ownership interest in mineral claims located in the Eskay Creek district of British Columbia (the "Foremore Property"). The vendor of the property retained a 3% net smelter return ("NSR") royalty, but Company has the right to purchase back 2% of the NSR for a cash payment of \$2,000,000 and an additional 0.5% for a cash payment of \$1,000,000. On June 24, 2024, the Company is required to commence payment of an annual advanced royalty of \$20,000 until such time as the Company elects to purchase the NSR. At that point the cumulative advanced royalties paid will be deducted from the NSR purchase price disclosed above.

The Company posted a \$32,000 reclamation program security deposit with the Ministry of Energy, Mines and Petroleum Resources in connection with the Foremore Property exploration program.

Gander Properties, NewfoundlandGander North/Gander South/Hermitage/Little River

On February 11, 2021, the Company entered into an agreement (the "Vulcan Agreement") with Vulcan Minerals Inc. ("Vulcan") dated February 11, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the "Gander North", "Gander South Property", the "Little River Property" and the "Hermitage Property"). On February 28, 2021, the Company assigned the Vulcan Agreement to Gander Gold.

Pursuant to the Vulcan Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

| Date | Shares | Cash | Exploration Expenditures |
|--|------------------|----------------|---------------------------------|
| | | (\$) | (\$) |
| Upon execution of the Agreement (issued and paid) | 1,000,000 | 100,000 | - |
| On or before February 11, 2022 (issued, paid and incurred) | 300,000 | 50,000 | 200,000 |
| On or before February 11, 2023 (issued, paid and incurred) | 300,000 | 50,000 | 400,000 |
| On or before February 11, 2024 | 400,000 | 100,000 | 600,000 |
| On or before February 11, 2025 | 500,000 | 100,000 | 800,000 |
| Total | 2,500,000 | 400,000 | 2,000,000 |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Gander Properties, Newfoundland (continued)**

The Company also reimbursed Vulcan for a refundable staking deposit totaling \$28,950 which is posted with the government of Newfoundland and Labrador.

Vulcan will retain a 3% net smelter return (“NSR”) royalty upon the Company completing its obligations under the Vulcan Agreement. The Company has the right to purchase back one half of the NSR (1.5%) for a cash payment of \$2,000,000 and the issuance of 500,000 common shares of the Company.

Gander North/Carmanville

On March 12, 2021, as amended on April 7, 2021, the Company entered into agreement (the “Gander North Agreement”) with Wildwood Exploration Inc. (“Wildwood”) which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the “Gander North Property” and the “Carmanville Property”).

Pursuant to the Gander North Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

| Date | Shares | Cash | Exploration Expenditures |
|---|------------------|----------------|---------------------------------|
| | | (\$) | (\$) |
| Upon execution of the Agreement (issued and paid) | 1,000,000 | 154,275 | - |
| On or before November 15, 2021 (incurred) | - | - | 275,000 |
| On or before March 12, 2022 (issued and paid) | 500,000 | 50,000 | - |
| On or before April 7, 2022 (issued) | 250,000 | - | - |
| On or before November 15, 2022 (incurred) | - | - | 335,000 |
| On or before March 12, 2023 (issued and paid) | 500,000 | 100,000 | - |
| On or before April 7, 2023 (issued) | 250,000 | - | - |
| On or before November 15, 2023 (incurred) | - | - | 400,000 |
| On or before March 12, 2024 | 500,000 | 100,000 | - |
| On or before April 7, 2024 | 250,000 | - | - |
| On or before November 15, 2024 | - | - | 750,000 |
| On or before March 12, 2025 | 500,000 | 100,000 | - |
| On or before November 15, 2025 | - | - | 1,000,000 |
| On or before March 12, 2026 | 750,000 | 150,000 | - |
| Total | 4,500,000 | 654,275 | 2,760,000 |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Gander Properties, Newfoundland (continued)

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Gander North Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of \$2,500,000.

The Gander North Agreement was assigned to Gander Gold on May 31, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Upon completion of its public listing on the CSE, Gander Gold issued an additional 500,000 common shares to Wildwood valued at \$175,000.

During the year ended June 30, 2023, the Gander Gold determined that it was unlikely it would be proceeding with the Carmanville property, and accordingly recorded a full impairment on the property totaling \$433,311 (2022 - \$Nil).

Cape Ray

On March 12, 2021, as amended on April 7, 2021, the Company entered into agreement (the “Cape Ray Agreement”) with Wildwood which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (the “Cape Ray Property”).

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Gander Properties, Newfoundland (continued)**

Pursuant to the Cape Ray Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

| Date | Shares | Cash | Exploration Expenditures |
|--|------------------|----------------|---------------------------------|
| | | (\$) | (\$) |
| Upon execution of the Agreement (issued and paid) | 500,000 | 87,455 | - |
| On or before November 15, 2021 (incurred) | - | - | 100,000 |
| On or before March 12, 2022 (issued and paid) | 250,000 | 35,000 | - |
| On or before April 7, 2022 (issued) | 250,000 | - | - |
| On or before November 15, 2022 (incurred) | - | - | 120,000 |
| On or before March 12, 2023 (issued and paid) | 500,000 | 50,000 | - |
| On or before November 15, 2023 (incurred) | - | - | 150,000 |
| On or before March 12, 2024 | 500,000 | 75,000 | - |
| On or before November 15, 2024 | - | - | 430,000 |
| On or before March 12, 2025 | 750,000 | 75,000 | - |
| On or before November 15, 2025 | - | - | 1,000,000 |
| On or before March 12, 2026 | 750,000 | 130,000 | - |
| Total | 3,500,000 | 452,455 | 1,800,000 |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Gander Properties, Newfoundland (continued)**

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Cape Ray Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of \$2,500,000.

The Cape Ray Agreement was assigned to Gander Gold on May 31, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Upon completion of its public listing on the CSE, Gander Gold issued an additional 500,000 common shares to Wildwood valued at \$175,000.

On October 11, 2022, Gander Gold entered into an option agreement with Supernova Metals Corp. (“SUPR”) wherein SUPR could acquire a 1% interest in the Cape Ray property by expending \$56,000 in exploration expenditures (incurred) by December 31, 2022. However, Gander Gold retained a right of repurchase which allowed it to re-acquire the 1% interest in exchange for the payment of \$50,000 on or before February 28, 2023. The payment can be settled in cash or common shares at Gander Gold’s election. On December 1, 2022, Gander Gold exercised the right of repurchase by issuing 166,667 common shares at a fair value of \$25,833 to SUPR.

Mount Peyton/BLT

On March 12, 2021, as amended on May 12, 2021, the Company entered into an agreement (the “Thwart Island Agreement”) with Wildwood which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (known as the “Mount Peyton Property” and the “BLT Property”).

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Gander Properties, Newfoundland (continued)**

Pursuant to the Thwart Island Agreement, the Company must make the following cash and share payments as well as incur minimum exploration expenditures in order to complete the acquisition:

| Date | Shares | Cash | Exploration Expenditures |
|--|------------------|----------------|---------------------------------|
| | | (\$) | (\$) |
| Upon execution of the Agreement (issued and paid) | 1,250,000 | 331,320 | - |
| On or before November 15, 2021 (incurred) | - | - | 140,000 |
| On or before January 15, 2022 (incurred) | - | - | 700,600 |
| On or before March 12, 2022 (issued and paid) | 1,250,000 | 75,000 | - |
| On or before November 15, 2022 (incurred) | - | - | 160,000 |
| On or before March 12, 2023 (issued and paid) | 1,250,000 | 100,000 | - |
| On or before November 15, 2023 (incurred) | - | - | 200,000 |
| On or before March 12, 2024 | 1,250,000 | 100,000 | - |
| On or before November 15, 2024 | - | - | 500,000 |
| On or before March 12, 2025 | 1,250,000 | 125,000 | - |
| On or before November 15, 2025 | - | - | 1,000,000 |
| On or before March 12, 2026 | 750,000 | 150,000 | - |
| Total | 7,000,000 | 881,320 | 2,700,600 |

Wildwood will retain a 2.5% NSR royalty upon the Company completing its obligations under the Thwart Island Agreement. The Company has the right to purchase that portion of the NSR equal to 1% for a cash payment of \$2,500,000.

The Thwart Island Agreement was assigned to Gander Gold on May 31, 2021 and accordingly all future cash and share payments as well as exploration expenditures are the responsibility of Gander Gold.

Upon completion of its public listing on the CSE, Gander Gold issued an additional 500,000 common shares to Wildwood valued at \$175,000.

As at September 30, 2023, Gander Gold advanced \$81,426 (June 30, 2023 - \$500,000) for future exploration work on its Gander properties.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Highrock Uranium Property, Saskatchewan**

On February 7, 2022, as amended on July 21, 2022, the Company entered into a definitive option agreement with Forum Energy Metals Corp. ("Forum") wherein the Company can acquire a 100% interest in the Highrock uranium project in Saskatchewan.

The terms of the option agreement include:

- a) An initial 20% interest can be acquired through the payment of \$100,000 cash (paid) and the issuance of 250,000 common shares (issued at a fair value of \$113,750) on execution of the agreement. The Company must also incur \$1,000,000 in exploration expenditures (incurred) during 2022.
- b) An additional 31% interest can be acquired through the issuance of 150,000 common shares (issued at a fair value of \$25,500) on or before January 2, 2023. The Company must also incur \$1,000,000 in exploration expenditures during 2023.
- c) An additional 19% interest can be acquired through the issuance of 150,000 common shares on or before January 2, 2024. The Company must also incur \$1,000,000 in exploration expenditures during 2024.
- d) The remaining 30% interest can be acquired through the payment of \$150,000 cash and the issuance of 3,000,000 common shares on or before December 31, 2025.
- e) Forum retains a 1% NSR on the Highrock uranium property, half of which can be purchased by the Company for a cash payment of \$1,000,000. In addition, a 1% NSR exists on the north claim and is shared by third parties, half of which may be purchased for a cash payment of \$1,000,000. Finally, a 2% NSR on the south claim is held by a third party.

Nicobat Property, Ontario

The Nicobat Property consists of non-contiguous mineral claims located in the Rainy River district of Ontario. The property is subject to a 2% NSR, 1% of which may be purchased for a cash payment of \$1,000,000.

On April 23, 2021, the Company entered into an agreement ("Max Power Agreement") to dispose of the Nicobat Property to privately held Max Power. Pursuant to the Max Power Agreement, Max Power can earn a 100% interest in the Nicobat Property by incurring \$1,000,000 in exploration expenditures on the property over a four year period and issuing 5,000,000 common shares to the Company. The shares are released to the Company in stages over a three year period (3,000,000 currently remain in escrow) from the date of listing of Max Power on the CSE on February 16, 2022 (Note 4). In addition, the Company received 1,000,000 share purchase warrants in Max Power which are exercisable at \$0.25 until February 15, 2024 (Note 4). Finally, the Company will retain a 1% net smelter return royalty on the Nicobat Property, which may be purchased by Max Power at any time for a cash payment of \$1,000,000.

As a result of the above disposal, the Company recognized a gain on option-out of exploration and evaluation asset of \$1,401,043 in the statement of profit and loss.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)**Summary of Exploration Expenditures**

| | Foremore Property | Gander Properties | High Rock Property | Total |
|---|------------------------------|------------------------------|-------------------------------|--------------|
| | (\$) | (\$) | (\$) | (\$) |
| Acquisition Costs: | | | | |
| Balance, June 30, 2022 | 3,435,000 | 4,848,550 | 213,750 | 8,507,300 |
| Additions | - | 662,834 | 25,500 | 688,334 |
| Impairment | - | (230,827) | - | (230,827) |
| Balance, June 30 and September 30, 2023 | 3,435,000 | 5,290,557 | 239,250 | 8,964,807 |
| Exploration Costs: | | | | |
| Balance, June 30, 2022 | 5,267,588 | 3,710,387 | 926,230 | 9,904,205 |
| Assays | 212,892 | 56,327 | 3,456 | 272,675 |
| Consulting | 512,604 | 439,165 | 56,143 | 1,007,912 |
| Drilling | 614,589 | 166,558 | - | 781,147 |
| Expediting | 144,498 | - | 199,265 | 343,763 |
| Field and office supplies | 211,306 | 7,370 | 28,443 | 247,119 |
| Geophysics | 66,295 | 142,283 | - | 208,578 |
| Helicopter support | 609,056 | 240,955 | - | 850,011 |
| Impairment | - | (202,485) | - | (202,485) |
| Mining tax recovery | (389,989) | (45,450) | - | (435,439) |
| Reports | 9,935 | 8,688 | - | 18,623 |
| Sampling | - | 788,440 | - | 788,440 |
| Balance, June 30, 2023 | 7,258,774 | 5,312,238 | 1,213,537 | 13,784,549 |
| Assays | - | 65,068 | - | 65,068 |
| Consulting | 6,350 | 122,548 | 10,000 | 138,898 |
| Drilling | - | 366,393 | - | 366,393 |
| Expediting | - | 130,036 | - | 130,036 |
| Field and office supplies | - | 1,713 | - | 1,713 |
| Geophysics | 960 | 20,467 | - | 21,427 |
| Permitting | - | 2,767 | 841 | 3,608 |
| Balance, September 30, 2023 | 7,266,084 | 6,021,230 | 1,224,378 | 14,511,692 |
| Total Costs: | | | | |
| Balance, June 30, 2023 | 10,693,774 | 10,602,795 | 1,452,787 | 22,749,356 |
| Balance, September 30, 2023 | 10,701,084 | 11,311,787 | 1,463,628 | 23,476,499 |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

| | September 30, 2023 | June 30, 2023 |
|---------------------------------|-------------------------------|--------------------------|
| | (\$) | (\$) |
| Trade payables | 461,976 | 437,651 |
| Related party payables (Note 9) | 8,758 | 52,415 |
| Accrued liabilities | 62,500 | 99,770 |
| | <u>532,734</u> | <u>589,836</u> |

8. OTHER LIABILITIES

During the year ended June 30, 2023, Gander Gold issued 4,833,442 flow-through shares at \$0.31 per share and 2,982,962 charitable flow-through shares at \$0.38 per share which resulted in a flow-through premium liability of \$521,464. A portion of the requisite expenditures were incurred and renounced during the year ended June 30, 2023.

During the three month period ended September 30, 2023, the Company incurred and renounced the remaining expenditures, and accordingly has recorded a flow through share premium recovery of \$100,918 in the statement of loss.

9. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and other members of key management personnel during the three month periods ended September 30, 2023 and 2022 is as follows:

| | Septembere 30, 2023 | September 30, 2022 |
|-----------------------|--------------------------------|-------------------------------|
| | (\$) | (\$) |
| Consulting fees | 36,900 | 32,300 |
| Geological consulting | 45,000 | 49,250 |
| Management fees | 90,000 | 90,000 |
| Professional fees | 48,000 | 40,500 |
| Share-based payments | 139,201 | 49,501 |
| | <u>359,101</u> | <u>261,551</u> |

As at September 30, 2023, a total of \$8,758 (June 30, 2023 - \$52,415) was included in accounts payable and accrued liabilities owing to directors and officers of the Company.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

10. SHARE CAPITAL AND RESERVES*Authorized share capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value.

*Issued share capital*Three month period ended September 30, 2023

In August 2023, the Company issued 900,00 common shares pursuant to the exercise of RSUs. The fair value of the RSUs was determined to be \$242,500, and accordingly the amount has been transferred from reserves to share capital.

Year ended June 30, 2023

On January 25, 2023, the Company issued 150,000 common shares valued at \$25,500 pursuant to the Highrock Agreement (Note 6).

In July 2022, the Company completed a non-brokered private placement wherein it issued 18,640,566 common shares at \$0.195 per share for aggregate proceeds of \$3,634,910, of which \$214,875 was received as at June 30, 2022. In connection with the financing, the Company paid fees of \$82,298 in cash and issued 332,474 finders' warrants valued at \$64,100 that are exercisable for 12 months at \$0.195 per share. The finders' warrants were valued using the Black-Scholes Option Pricing Model with the following parameters: expected price volatility: 107%, risk-free rate: 3.26%, expected life: 1 year and expected dividend yield: 0%.

Stock options

The Company has rolling incentive stock option plan (the "Plan"), which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a variable period from the date of grant to a maximum of 10 years at an exercise price determined at the discretion of the Board of Directors. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company unless otherwise approved by the Board of Directors.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

10. SHARE CAPITAL AND RESERVES (continued)

The Company recorded share-based payments of \$Nil (2022 - \$28,823) during the three month period ended September 30, 2023 in connection with stock options that were previously issued.

A continuity schedule of the Company's stock options is as follows:

| | Number of Options | Weighted Average Exercise Price |
|---|------------------------------|--|
| | | (\$) |
| Balance, June 30, 2022 | 1,250,000 | 0.57 |
| Expired | (200,000) | 0.75 |
| Granted | 1,750,000 | 0.15 |
| Balance, June 30 and September 30, 2023 | <u>2,800,000</u> | <u>0.30</u> |

The following table summarizes the stock options outstanding as at September 30, 2023:

| Expiry Date | Number of Options Outstanding | Number of Options Vested | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life |
|--------------------|--|---|--|--|
| | | | (\$) | (yrs) |
| May 29, 2025 | 350,000 | 350,000 | 0.25 | 1.66 |
| July 28, 2025 | 150,000 | 150,000 | 0.30 | 1.83 |
| August 25, 2025 | 200,000 | 200,000 | 0.57 | 1.90 |
| November 20, 2025 | 250,000 | 250,000 | 1.00 | 2.14 |
| May 20, 2026 | 100,000 | 100,000 | 0.71 | 2.64 |
| March 31, 2028 | 1,750,000 | 1,750,000 | 0.15 | 4.50 |
| | <u>2,800,000</u> | <u>2,800,000</u> | <u>0.30</u> | <u>3.54</u> |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

10. SHARE CAPITAL AND RESERVES (continued)***Gander Gold Options***

During the year ended June 30, 2023, Gander Gold issued 225,000 incentive stock options to a director and consultants pursuant to its stock option plan which has the same guidelines as Sassy's stock option plan. The options are exercisable at \$0.20 for a period of five years. During the three month period ended September 30, 2023, the Company recorded \$9,775 (2022 - \$49,501) in share-based payments expense in relation to these Gander Gold options granted and vested. The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below:

| Grant Date | Number of Share Options | Expected Price Volatility (%) | Risk Free Interest Rate (%) | Expected Life (yrs) | Expected Dividend Yield (%) | Fair Value Per Option (\$) | Total Fair Value (\$) |
|-------------------|--------------------------------|--------------------------------------|------------------------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|
| May 5, 2023 | 225,000 | 166 | 3.02 | 5.00 | - | 0.17 | 39,100 |

RSUs

The Company has a rolling Restricted Share Unit ("RSU") plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, issue RSUs to eligible participants, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Vesting provisions as well as method of settlement (ie. cash or common shares) are determined by the Board of Directors of the Company. The maximum number common shares reserved for issuance to any one RSU holder will not exceed five percent (5%) of the issued and outstanding common shares. Any unvested RSUs are immediately forfeited following cessation of the RSU holder's position with the Company unless otherwise approved by the Board of Directors.

The continuity of the Company's RSUs is as follows:

| | Number of RSUs |
|------------------------------------|-----------------------|
| Balance, June 30, 2022 | 737,500 |
| Granted | 2,300,000 |
| Balance, June 30, 2023 | 3,037,500 |
| Exercised | (650,000) |
| Balance, September 30, 2023 | 2,387,500 |

As at September 30, 2023 there are 487,500 RSUs outstanding that expire December 31, 2024 and 1,900,000 RSUs outstanding that expire December 31, 2026.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

10. SHARE CAPITAL AND RESERVES (continued)*Gander Gold RSUs*

The continuity of Gander Gold's RSUs is as follows:

| | Number of RSUs |
|------------------------------------|---------------------------|
| Balance, June 30, 2022 | - |
| Granted | 2,975,000 |
| Balance, June 30, 2023 | 2,975,000 |
| Exercised | (500,000) |
| Balance, September 30, 2023 | 2,475,000 |

As at September 30, 2023 there are 2,475,000 RSUs outstanding that expire December 31, 2026.

Warrants

A continuity schedule of the Company's share purchase warrants is as follows:

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|-----------------------------|-------------------------------|---|
| Balance, June 30, 2022 | 10,670,300 | 0.67 |
| Expired | (10,670,300) | 0.67 |
| Issued | 332,474 | 0.195 |
| Balance, June 30, 2023 | 332,474 | 0.195 |
| Expired | (332,474) | 0.195 |
| Balance, September 30, 2023 | - | - |

Gander Warrants

A continuity schedule of the Company's finders' warrants is as follows:

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|-----------------------------|-------------------------------|---|
| Balance, June 30, 2022 | - | - |
| Issued | 714,704 | 0.32 |
| Balance, June 30, 2023 | 714,704 | 0.32 |
| Issued | (714,704) | 0.32 |
| Balance, September 30, 2023 | - | - |

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

11. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 risk is on its cash. The Company holds its cash in substantial financial institutions to mitigate risk. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

The Company's main source of funding has been through the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. The Company is exposed to liquidity risk.

Price risk

The Company is exposed to price risk with respect to 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. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. A 10% fluctuation in equity prices would impact profit or loss by approximately \$318,000.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for gold and silver are impacted by world economic events that dictate the levels of supply and demand. The Company had no hedging contracts in place as at or during the period ended September 30, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

11. FINANCIAL RISK MANAGEMENT (continued)***Foreign exchange risk***

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

Classification of financial instruments

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included 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: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

| Financial Assets: | Measurement Level | September 30, 2023 | June 30, 2023 |
|--------------------------|--------------------------|---------------------------|----------------------|
| | | (\$) | (\$) |
| Max Power Shares | Level 1 | 1,672,284 | 2,067,000 |
| Galloper Shares | Level 2 | 1,200,000 | 1,200,000 |
| Max Power Warrants | Level 3 | 303,863 | 303,863 |

Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities. The fair value of accounts payable and accrued liabilities approximate the carrying amount due to their short term to maturity. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

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 its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended September 30, 2023.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being the acquisition, exploration and evaluation of mineral resources properties.

The Company operates in one geographic segment located in Canada.

13. COMMITMENTS

Under the terms of their management agreements, the CEO, CFO and VP of Exploration of the Company are entitled to between twelve and twenty-four months of base pay, representing approximately \$1,092,000, in the event of their agreement being terminated in connection with a change of control of the Company.

14. NON-CONTROLLING INTERESTYear Ended June 30, 2023

On September 8, 2022, the Company distributed an additional 4,417,187 common shares of Gander Gold on a pro rata basis to its shareholders as a return of capital dividend. Accordingly, the Company settled the remaining \$1,634,359 of the dividend payable and realized additional NCI of \$503,207 with the remaining \$1,131,152 recorded within equity.

On September 26, 2022, Gander Gold completed a non-brokered private placement financing wherein it issued 12,883,329 common shares, consisting of 2,982,962 charitable flow through shares at \$0.38 per share, 4,833,442 flow through shares at \$0.31 per share and 5,066,925 common shares at \$0.27 per shares, for aggregate proceeds of \$3,478,499, net of the flow through share premium liability of \$521,464. This resulted in an additional NCI of \$801,227 and the remaining 2,677,271 recorded within equity.

Gander Gold incurred \$251,799 in cash share issuance costs and issued finder's warrants valued at \$87,400 associated with the above transactions, recognized as NCI by the Company in the statement of shareholders' equity.

On December 1, 2022, Gander Gold issued 166,667 common shares in connection with the Cape Ray property which resulted in an additional NCI of \$8,945 and the remaining \$16,888 recorded within equity.

On February 8, 2023, Gander Gold issued 300,000 common shares in connection with the Vulcan Agreement which resulted in an additional NCI of \$15,765 and the remaining \$33,735 recorded within equity.

On March 27, 2023, Gander Gold issued 2,500,000 in connection with the Cape Ray property which resulted in an additional NCI of \$131,375 and the remaining \$156,125 recorded within equity.

The above transactions resulted in the reduction of the Company's ownership in Gander Gold from 52.51% down to 38.59% as at June 30, 2023.

SASSY GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

Three Month Period Ended September 30, 2023

(Expressed in Canadian dollars)

(Unaudited)

14. NON-CONTROLLING INTEREST (continued)Three Month Period Ended September 30, 2023

On August 24, 2023, Gander Gold issued 500,000 common shares in connection with the exercise of RSUs which resulted in an additional NCI of \$23,552 and the remaining \$68,948 recorded within equity.

The above transaction resulted in the reduction of the Company's ownership in Gander Gold from 38.59% down to 38.38% as at September 30, 2023.

15. SUPPLEMENTAL CASH FLOW INFORMATION

| | September 30, 2023 | September 30, 2022 |
|--|-------------------------------|-------------------------------|
| | (\$) | (\$) |
| Non-cash investing and financing activities: | | |
| Exploration and evaluation expenditures accrued through accounts payable and accrued liabilities | 439,154 | 225,083 |
| Exploration advance reclassified to exploration and evaluation assets | 418,574 | 111,314 |
| Issuance of finders warrants as share issuance costs | - | 64,100 |
| Dividend paid | - | 1,634,359 |
| Dividend revaluation through share capital | - | 750,923 |
| Transfer from reserves to share capital in connection with exercise of RSUs | 242,500 | - |
| Interest paid during the period | - | - |
| Income taxes paid during the period | - | - |

16. SUBSEQUENT EVENT

Subsequent to September 30, 2023, the Company issued 750,000 common shares pursuant to the exercise of RSUs.