

# Golden Spike Resources Corp.

## Condensed Consolidated Interim Financial Statements

For the Nine Months Ended May 31, 2023

(Unaudited – Expressed in Canadian dollars)

# Golden Spike Resources Corp.

For the Nine Months Ended May 31, 2023

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## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED 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 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 consolidated 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 condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

July 27, 2023

Golden Spike Resources Corp.  
Condensed Consolidated Interim Statements of Financial Position  
As at  
(Expressed in Canadian Dollars)

	<b>May 31, 2023</b>	<b>August 31, 2022</b>
	(unaudited)	
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 269,469	\$ 1,507,001
Sales tax receivable	58,790	31,920
Prepaid expenses	163,301	14,371
	491,560	1,553,292
<b>Exploration and Evaluation Assets</b> (notes 8 and 9)	3,731,831	3,202,662
	\$ 4,223,391	\$ 4,755,954
<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable	\$ 4,576	\$ 144,093
Accrued liabilities	-	15,000
	4,576	159,093
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 10)	4,648,755	4,448,755
<b>Reserves</b> (note 10)	1,514,781	1,287,019
<b>Deficit</b>	(1,944,721)	(1,138,913)
	4,218,815	4,596,861
	\$ 4,223,391	\$ 4,755,954

**Going Concern** (note 2)  
**Subsequent Event** (note 12)

Approved on behalf of the Board:

<i>"Keith Anderson"</i>	<i>"Robert Cinits"</i>
..... Director	..... Director
Keith Anderson	Robert Cinits

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

Golden Spike Resources Corp.  
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited – Expressed in Canadian Dollars)

	<b>Three Months Ended May 31, 2023</b>	<b>Three Months Ended May 31, 2022</b>	<b>Nine Months Ended May 31, 2023</b>	<b>Nine Months Ended May 31, 2022</b>
<b>Expenses</b>				
Consulting fees (note 9)	\$ 62,000	\$ 45,000	\$ 215,000	\$ 147,609
Office and general	6,338	3,216	22,970	11,375
Part XII.6 tax	-	-	210	-
Professional fees (note 9)	18,623	7,575	120,026	39,810
Rent	-	750	2,500	2,000
Share-based compensation (notes 9 and 10)	-	-	227,762	-
Shareholder communications and promotion	85,343	3,064	101,813	44,663
Transfer agent and filing fees	10,889	3,986	93,617	37,955
Travel	421	-	21,910	-
<b>Loss Before Other Item</b>	<b>(183,614)</b>	<b>(63,591)</b>	<b>(805,808)</b>	<b>(283,412)</b>
<b>Other Item</b>				
Recovery of premium on flow- through shares (note 11)	-	-	-	307
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ (183,614)</b>	<b>\$ (63,591)</b>	<b>\$ (805,808)</b>	<b>\$ (283,105)</b>
<b>Basic and Diluted Loss Per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding – Basic and Diluted</b>	<b>34,600,000</b>	<b>20,300,000</b>	<b>34,530,403</b>	<b>20,003,297</b>

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

Golden Spike Resources Corp.  
Condensed Consolidated Interim Statements of Changes in Equity  
(Unaudited – Expressed in Canadian Dollars)

	<b>Share Capital</b>				
	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance, August 31, 2021</b>	<b>13,800,000</b>	<b>\$ 380,231</b>	<b>\$ 19,341</b>	<b>\$ (206,931)</b>	<b>\$ 192,641</b>
Private placements	6,000,000	1,500,000	-	-	1,500,000
Share issuance costs	-	(212,476)	70,235	-	(142,241)
Shares issued for exploration and evaluation assets	500,000	195,000	-	-	195,000
Net loss and comprehensive loss	-	-	-	(283,105)	(283,105)
<b>Balance May 31, 2022</b>	<b>20,300,000</b>	<b>1,962,855</b>	<b>89,576</b>	<b>(490,036)</b>	<b>1,462,295</b>
Acquisition of Golden Horizon Exploration Corp.	11,300,000	2,486,000	1,197,443	-	3,683,443
Warrants exercised	2,000,000	100,000	-	-	100,000
Net loss and comprehensive loss	-	-	-	(648,877)	(648,877)
<b>Balance, August 31, 2022</b>	<b>33,600,000</b>	<b>4,448,755</b>	<b>1,287,019</b>	<b>(1,138,913)</b>	<b>4,596,861</b>
Shares issued for exploration and evaluation assets	1,000,000	200,000	-	-	200,000
Stock options granted	-	-	227,762	-	227,762
Net loss and comprehensive loss	-	-	-	(805,808)	(805,808)
<b>Balance, May 31, 2023</b>	<b>34,600,000</b>	<b>\$ 4,648,755</b>	<b>\$ 1,514,781</b>	<b>\$ (1,944,721)</b>	<b>\$ 4,218,815</b>

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

Golden Spike Resources Corp.  
Condensed Consolidated Interim Statements of Cash Flows  
For the Nine Months Ended May 31,  
(Unaudited – Expressed in Canadian Dollars)

	<b>2023</b>	<b>2022</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (805,808)	\$ (283,105)
Item not involving cash		
Share-based compensation	227,762	(307)
Changes in non-cash working capital		
Sales tax receivable	(26,870)	(4,494)
Prepaid expenses	(148,930)	37,618
Accounts payable and accrued liabilities	(154,517)	(107,109)
<b>Cash Used in Operating Activities</b>	<b>(908,363)</b>	<b>(357,397)</b>
<b>Investing Activity</b>		
Exploration and evaluation asset expenditures	(329,169)	(133,608)
<b>Cash Used in Investing Activity</b>	<b>(329,169)</b>	<b>(133,608)</b>
<b>Financing Activities</b>		
Shares issued for cash	-	1,500,000
Share issuance costs	-	(203,210)
<b>Cash Provided by Financing Activities</b>	<b>-</b>	<b>1,296,790</b>
<b>Net Change in Cash</b>	<b>(1,237,532)</b>	<b>805,785</b>
<b>Cash, Beginning of Period</b>	<b>1,507,001</b>	<b>134,385</b>
<b>Cash, End of Period</b>	<b>\$ 269,469</b>	<b>\$ 940,170</b>
<b>Non-cash Transactions and Supplemental Disclosures</b>		
Shares issued for exploration and evaluation assets	\$ 200,000	\$ 195,000
Fair value of agent compensation warrants included in share issuance costs	\$ -	\$ 70,235

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

Golden Spike Resources Corp.  
Notes to the Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended May 31, 2023  
(Unaudited – Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS**

Golden Spike Resources Corp. (the “Company” or “Golden Spike”) is an exploration stage company incorporated on January 14, 2020 under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in Canada. The Company’s head office and principal business address is 830 – 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6. The Company’s registered and records office is 1000 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. On September 13, 2021, the Company’s shares began trading on the Canadian Securities Exchange ( “CSE”) under the trading symbol “GLDS”.

On July 20, 2022, the Company completed the acquisition (the “Acquisition”) to acquire 100% of the issued and outstanding common shares of Golden Horizon Exploration Corp. (“Golden Horizon”), an exploration stage company incorporated under the laws of the province of British Columbia.

**2. GOING CONCERN**

The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation projects when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These material uncertainties cast significant doubt regarding the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements. Such adjustments could be material.

If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

**3. BASIS OF PREPARATION**

a) Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS, and should be read in conjunction with the Company’s audited consolidated financial statements as at August 31, 2022 and for the year then ended. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the consolidated financial statements for the year ended August 31, 2022.

These condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 27, 2023.



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**3. BASIS OF PREPARATION** (Continued)

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the significant accounting policies (note 4). These condensed consolidated interim financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Basis of presentation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Golden Horizon (acquired on July 20, 2022), for the periods presented. Intercompany balances and transactions are eliminated in preparation of the Company's condensed consolidated interim financial statements.

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

**4. SIGNIFICANT ACCOUNTING POLICIES**

These condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited consolidated financial statements for the year ended August 31, 2022.

**5. 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 comprehensive income/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 condensed consolidated interim financial statements within the next fiscal year are discussed below.

Golden Spike Resources Corp.  
Notes to the Condensed Consolidated Interim Financial Statements  
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**5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

a) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

b) Going concern risk assessment

The assessment of the Company's ability to continue as a going concern requires significant judgment. The condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

c) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

*Key sources of estimation uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed consolidated interim financial statements.

a) Recoverability of exploration and evaluation assets

The Company has determined that exploration, evaluation and related costs incurred, which have been capitalized, may have future economic benefits and may be economically recoverable. The Company uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information.

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Notes to the Condensed Consolidated Interim Financial Statements  
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**5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

b) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made that management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at May 31, 2023, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

c) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

**6. FINANCIAL INSTRUMENTS**

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as fair value through profit or loss; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

<b>May 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$ 269,469	\$ -	\$ -	\$ 269,469

  

<b>August 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash	\$ 1,507,001	\$ -	\$ -	\$ 1,507,001

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Golden Spike Resources Corp.  
Notes to the Condensed Consolidated Interim Financial Statements  
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**6. FINANCIAL INSTRUMENTS** (Continued)

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of May 31, 2023 equal \$4,576 (August 31, 2022 - \$159,093). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

*i) Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.

*ii) Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

*iii) Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

d) Capital management

The Company considers its capital to be comprised of 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. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

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Notes to the Condensed Consolidated Interim Financial Statements  
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**6. FINANCIAL INSTRUMENTS** (Continued)

d) Capital management (continued)

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended May 31, 2023. The Company is not subject to externally imposed capital requirements.

**7. ACQUISITION**

On July 20, 2022, the Company completed the acquisition of all of the outstanding common shares of Golden Horizon, an exploration stage company incorporated under the laws of the province of British Columbia. The Acquisition was completed pursuant to the amalgamation agreement dated July 11, 2022 by way of a three-cornered amalgamation among Golden Spike, Golden Horizon and 1368617 B.C. Ltd., a wholly owned subsidiary of the Company, incorporated solely for the purposes of the Acquisition. In consideration for all of the issued and outstanding common shares, the Company issued 11,300,000 common shares and 7,100,000 warrants with expiry dates ranging from November 26, 2022 to June 3, 2025 and exercise prices ranging from \$0.05 to \$0.30.

At the date of acquisition, the Company determined that Golden Horizon did not constitute a business under IFRS 3 *Business Combinations*, and the Acquisition was accounted for as an asset acquisition. As a result, the purchase price was allocated to the identifiable assets and liabilities based on their relative fair values at the date of acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2 *Share-based Payment*, and recognized at the fair value of the common shares of the Company at a price of \$0.22 per share and the fair value of the common share purchase warrants of the Company at a price of \$0.17 per warrant.

As a result of the Acquisition, there were no intangible assets identified that met the recognition criteria under IFRS.

The following table shows the finalized allocation of the purchase price to the fair value of the assets acquired and liabilities assumed, based on the estimated fair value, including a summary of the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the Acquisition date:

<b>Total consideration</b>		
11,300,000 common shares measured at a fair value of \$0.22 per share	\$	2,486,000
7,100,000 warrants measured with a fair value of \$0.17 per warrant		1,197,443
Total	\$	3,683,443
<b>Net identifiable assets (liabilities) acquired</b>		
Cash	\$	613,046
Amounts receivable		15,162
Exploration and evaluation assets		3,124,781
Accounts payable and accrued liabilities		(69,546)
Net assets	\$	3,683,443

Golden Spike Resources Corp.  
Notes to the Condensed Consolidated Interim Financial Statements  
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**8. EXPLORATION AND EVALUATION ASSETS**

*Camping Lake Property*

On September 1, 2020, the Company entered into an option agreement to acquire a 100% interest in the Camping Lake Property, consisting of 5 mineral claims located in the Red Lake Mining District, Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Pay \$30,000 upon signing (paid);
- Pay \$45,000 (paid) and issue 500,000 common shares (issued and valued at \$195,000) on or before the day the Company's shares become listed for trading on the CSE; and
- Issue 750,000 common shares on or before the one-year anniversary from the day the Company's shares become listed for trading on the CSE.

The vendor retained a 3% net smelter return royalty ("NSR"), of which 2% could be repurchased for \$1,000,000.

The Company decided to discontinue exploration on the Camping Lake Property, and accordingly, an impairment loss of \$439,504 was recognized during the year ended August 31, 2022.

*Gregory River Property*

The Company has the option, through Golden Horizon, to acquire 100% of the interest in the Gregory River Property, a mineral exploration property located in Newfoundland. Under the terms of the option agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay \$20,000 upon signing (paid by Golden Horizon prior to completion of the Acquisition);
- Issue 1,000,000 common shares of the Company on or before the earlier of: (i) the listing of Golden Horizon's common shares on the CSE, and (ii) December 31, 2022 (issued on September 19, 2022); and
- Pay \$45,000 (paid subsequent to May 31, 2023) and issue an additional 1,500,000 common shares on or before the earlier of: (i) the first anniversary of the listing of Golden Horizon's common shares on the CSE; and (ii) June 30, 2023 (issued subsequent to May 31, 2023).

The Company must also incur exploration expenditures on the Gregory River Property as follows:

- \$75,000 on or before January 1, 2022 (incurred by Golden Horizon prior to completion of the Acquisition); and
- An additional \$200,000 on or before December 31, 2022 (incurred).

The property is subject to a 2% NSR. The Company has the right to purchase one-half of the NSR from the optionors at any time for \$1,500,000.

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**8. EXPLORATION AND EVALUATION ASSETS (Continued)**

A summary of exploration and evaluation expenditures for the nine months ended May 31, 2023 and year ended August 31, 2022 is as follows:

	Camping Lake Property	Gregory River Property	Total
<b>Balance, August 31, 2021</b>	\$ 110,896	\$ -	\$ 110,896
<b>Acquisition Costs</b>			
Acquisition	240,000	3,124,781	3,364,781
Impairment	(270,000)	-	(270,000)
<b>Total Acquisition Costs</b>	<b>(30,000)</b>	<b>3,124,781</b>	<b>3,094,781</b>
<b>Exploration Costs</b>			
Geological	88,608	77,881	166,489
Impairment	(169,504)	-	(169,504)
<b>Total Exploration Costs</b>	<b>(80,896)</b>	<b>77,881</b>	<b>(3,015)</b>
<b>Balance, August 31, 2022</b>	-	<b>3,202,662</b>	<b>3,202,662</b>
<b>Acquisition Costs</b>			
Acquisition	-	200,000	200,000
<b>Total Acquisition Costs</b>	-	<b>200,000</b>	<b>200,000</b>
<b>Exploration Costs</b>			
Geological	-	232,181	232,181
Geophysical	-	96,988	96,988
<b>Total Exploration Costs</b>	-	<b>329,169</b>	<b>329,169</b>
<b>Balance, May 31, 2023</b>	\$ -	\$ 3,731,831	\$ 3,731,831

**9. RELATED PARTY TRANSACTIONS**

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of loss and comprehensive loss:

	Nine Months Ended May 31, 2023	Nine Months Ended May 31, 2022
Short-term compensation (consulting fees, professional fees and geological fees)	\$ 157,500	\$ 85,500
Share-based compensation	\$ 160,049	\$ -

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(Unaudited – Expressed in Canadian Dollars)

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**10. SHARE CAPITAL**

a) Authorized

Unlimited number of common voting shares without par value

b) Issued and outstanding

As at May 31, 2023 there were 34,600,000 (August 31, 2022 - 33,600,000) issued and outstanding common shares.

As at May 31, 2023, there were 945,000 (August 31, 2022 - 1,575,000) shares held in escrow. Pursuant to the terms of the escrow agreement dated August 6, 2021, the remaining escrow shares will be released in tranches of 315,000 shares on September 10, 2023, March 10, 2024 and September 10, 2024.

During the nine months ended May 31, 2023

On September 19, 2022, the Company issued 1,000,000 common shares with a fair value of \$200,000, as per the Gregory River Property option agreement (note 8).

During the year ended August 31, 2022

On September 10, 2021, the Company completed its Initial Public Offering (“IPO”) of 6,000,000 units of the Company at \$0.25 per unit for gross proceeds of \$1,500,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable into one common share for 24 months at a price of \$0.50. The Company paid the agent a cash commission of \$135,000. The Company also issued to the agent 540,000 compensation warrants valued at \$70,235, exercisable into common shares at \$0.25 per share for a period of 24 months. The Company also paid the agent a corporate finance fee of \$35,000 and the agent’s expenses of \$25,969 relating to the IPO, which were expensed in professional fees; \$32,500 of the corporate finance fee and agent’s expenses were included in prepaid expenses at August 31, 2021. The Company incurred other share issuance costs of \$7,242.

On October 12, 2021, the Company issued 500,000 common shares with a fair value of \$195,000, as per the Camping Lake Property option agreement (note 8).

On July 21, 2022, the Company issued 11,300,000 shares upon acquisition of Golden Horizon (note 7).

During the year ended August 31, 2022, the Company issued 2,000,000 common shares on the exercise of 2,000,000 warrants for gross proceeds of \$100,000.



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**10. SHARE CAPITAL** (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Nine Months Ended May 31, 2023		Year Ended August 31, 2022	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	10,640,000	\$ 0.24	2,000,000	\$ 0.05
Granted	-	-	10,640,000	\$ 0.24
Exercised	-	-	(2,000,000)	\$ 0.05
Outstanding, end of period	10,640,000	\$ 0.24	10,640,000	\$ 0.24

The following warrants were outstanding and exercisable at May 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	May 31, 2023
September 10, 2023	0.28	\$ 0.50	3,000,000
September 10, 2023	0.28	\$ 0.25	540,000
November 26, 2024	1.49	\$ 0.05	3,500,000
May 6, 2025	1.93	\$ 0.30	1,000,000
May 13, 2025	1.95	\$ 0.30	1,100,000
June 3, 2025	2.01	\$ 0.05	1,500,000
	1.25		10,640,000

During the year ended August 31, 2022, the Company applied the fair value method using the Black-Scholes option pricing model in accounting for its warrants granted. Accordingly, the 540,000 agent warrants granted in relation to the Company's IPO were recognized with a fair value of \$70,235 to share issuance costs and the 7,100,000 common share purchase warrants deemed issued on the Acquisition were recognized with a fair value of \$1,197,443.

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**10. SHARE CAPITAL** (Continued)

c) Warrants (continued)

The fair value of each warrant granted was calculated using the following weighted average assumptions:

	<b>Nine Months Ended May 31, 2023</b>	<b>Year Ended August 31, 2022</b>
Expected life (years)	N/A	2.56
Risk-free interest rate	N/A	3.08%
Annualized volatility	N/A	103%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	\$ 0.22
Exercise price	N/A	\$ 0.13
Weighted average grant date fair value	N/A	\$ 0.17

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility and the volatility of a comparable company to estimate the volatility of the share price.

d) Stock options

The Company has adopted a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	<b>Nine Months Ended May 31, 2023</b>		<b>Year Ended August 31, 2022</b>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	600,000	\$ 0.10	600,000	\$ 0.10
Granted	1,850,000	\$ 0.25	-	-
Outstanding, end of period	2,450,000	\$ 0.21	600,000	\$ 0.10

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**10. SHARE CAPITAL** (Continued)

d) Stock options (continued)

The following stock options were outstanding and exercisable at May 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	May 31, 2023
March 17, 2026	2.80	\$ 0.10	600,000
December 6, 2027	4.52	\$ 0.25	1,850,000
	4.10		2,450,000

The fair value of each option granted was calculated using the following weighted average assumptions:

	Nine Months Ended May 31, 2023	Year Ended August 31, 2022
Expected life (years)	5.00	N/A
Risk-free interest rate	3.00%	N/A
Annualized volatility	99.10%	N/A
Dividend yield	N/A	N/A
Stock price at grant date	\$0.175	N/A
Exercise price	\$0.25	N/A
Weighted average grant date fair value	\$0.12	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility and the volatility of a comparable company to estimate the volatility of the share price.

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**11. FLOW-THROUGH SHARES**

Other liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances:

	<b>May 31, 2023</b>	<b>August 31, 2022</b>
Balance, beginning of period	\$ -	\$ 307
Settlement of flow-through share liability by incurring expenditures	-	(307)
Balance, end of period	\$ -	-

On August 6, 2020 and August 27, 2020, the Company issued 4,800,000 flow-through common shares of the Company at a price of \$0.02 per share for gross proceeds of \$96,000. The premium paid by investors on the flow-through shares was calculated as \$1,953. Accordingly, \$1,953 was recorded as other liabilities. The flow-through premium is derecognized through other income as the qualifying expenditures are incurred. All expenditures were made and no commitment to incur exploration expenditures in relation to this flow-through financing remained at May 31, 2023 or August 31, 2022.

At May 31, 2023, Golden Horizon had incurred \$175,000 (August 31, 2022 - \$113,889) and \$192,500 (August 31, 2022 - \$nil) in exploration expenditures, and had a remaining commitment to incur exploration expenditures of \$nil (August 31, 2022 - \$61,111) and \$nil (August 31, 2022 - \$192,500) in relation to its May 6, 2022 and May 13, 2022 flow-through financings, respectively.

**12. SUBSEQUENT EVENT**

Subsequent to May 31, 2023, the Company paid \$45,000 and issued 1,500,000 common shares in order to complete the Gregory River Property option agreement (note 8).