



CONDENSED INTERIM 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.

Gander Gold Corporation

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at

	September 30, 2023	June 30, 2022
	(\$)	(\$)
ASSETS		
Current assets		
Cash	349,317	573,443
Prepays	28,095	143,717
Sales tax receivable	109,446	79,143
	486,858	796,303
Deposit (Note 4)	28,950	28,950
Exploration advance (Note 4)	81,426	500,000
Exploration and evaluation assets (Note 4)	11,311,787	10,602,795
	11,909,021	11,928,048
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 6)	447,995	497,123
Other liabilities	-	100,918
Loan payable (Note 6)	300,247	-
	748,242	598,041
Shareholders' equity		
Share capital (Note 7)	12,959,992	12,867,492
Reserves (Note 7)	1,216,352	1,161,483
Deficit	(3,015,565)	(2,698,968)
	11,160,779	11,330,007
	11,909,021	11,928,048

Nature of Operations and Going Concern (Note 1)

Commitments (Note 11)

Subsequent Event (Note 12)

On behalf of the Board:

"Ken Booth"
Director

"Richard Savage"
Director

See accompanying notes to the condensed interim financial statements

Gander Gold Corporation

Condensed Interim 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 6)	20,471	49,900
Flow-through share premium recovery (Note 7)	(100,918)	-
General and administrative	11,086	36,575
Interest expense (Note 6)	247	-
Interest income	(2,307)	(1,886)
Investor relations	151,250	17,645
Management fees (Note 6)	45,000	45,000
Professional fees (Note 6)	35,579	40,884
Share-based payments (Notes 6 and 7)	147,369	49,501
Transfer agent and filing fees	8,820	22,705
Loss and comprehensive loss	(316,597)	(260,324)
Basic and diluted loss per share:	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding:		
Basic and Diluted	91,750,239	76,393,902

See accompanying notes to the condensed interim financial statements

Gander Gold Corporation

Condensed Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

	Share capital				
	Number of Shares	Amount (\$)	Reserves (\$)	Deficit (\$)	Total (\$)
Balance at June 30, 2022	75,693,721	9,365,359	638,149	(1,241,096)	8,762,412
Common shares issued for cash	12,883,329	3,999,963	-	-	3,999,963
Flow through share premium liability	-	(521,464)	-	-	(521,464)
Share issuance costs - cash	-	(244,121)	-	-	(244,121)
Share issuance costs - finders' warrants	-	(87,400)	87,400	-	-
Stock options vested	-	-	49,501	-	49,501
Loss for the period	-	-	-	(260,324)	(260,324)
Balance at September 30, 2022	88,577,050	12,512,337	775,050	(1,501,420)	11,785,967
Common shares issued for property payments	2,966,667	362,833	-	-	362,833
Restricted stock units vested	-	-	360,801	-	360,801
Share issuance costs - cash	-	(7,678)	-	-	(7,678)
Stock options vested	-	-	25,632	-	25,632
Loss for the period	-	-	-	(1,197,548)	(1,197,548)
Balance at June 30, 2023	91,543,717	12,867,492	1,161,483	(2,698,968)	11,330,007
Common shares issued for exercise of RSUs	500,000	92,500	(92,500)	-	-
Restricted stock units vested	-	-	137,594	-	137,594
Stock options vested	-	-	9,775	-	9,775
Loss for the period	-	-	-	(316,597)	(316,597)
Balance at September 30, 2023	92,043,717	12,959,992	1,216,352	(3,015,565)	11,160,779

See accompanying notes to the condensed interim financial statements

Gander Gold Corporation

Condensed Interim 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	(316,597)	(260,324)
Items not affecting cash		
Flow-through share premium recovery	(100,918)	-
Impairment of exploration and evaluation assets	-	-
Interest expense	247	-
Interest income	(2,307)	(1,886)
Share-based payments	147,369	49,501
Changes in non-cash working capital items:		
Prepays	115,622	(47,606)
Sales tax receivable	(30,303)	167,424
Accounts payable and accrued liabilities	(78,102)	(181,258)
	(264,989)	(274,149)
INVESTING ACTIVITIES		
Exploration advance	-	116,314
Exploration and evaluation expenditures	(261,444)	(1,504,988)
Interest received	2,307	1,886
	(259,137)	(1,386,788)
FINANCING ACTIVITIES		
Common shares issued	-	3,999,963
Loan from Sassy Gold	300,000	16,991
Share issuance costs	-	(244,121)
	300,000	3,772,833
Change in cash during the period	(224,126)	2,111,896
Cash - beginning of period	573,443	702,743
Cash - end of period	349,317	2,814,639

Supplemental Cash Flow Information (Note 10)

See accompanying notes to the condensed interim financial statements

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Gander Gold Corporation (the “Company”) was incorporated on February 3, 2021 under the Business Corporations Act (British Columbia). The Company is a subsidiary of Sassy Gold Corp. (“Sassy”), a publicly traded corporation on the Canadian Securities Exchange (“CSE”) under the trading symbol CSE:SASY. 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.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has no sources of revenue and a deficit of \$3,015,565.

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 about 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 period 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 20, 2023.

Basis of measurement

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

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.

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Functional and Presentation Currency

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the financial statements.

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.

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.

The fair value of restricted stock units (“RSUs”) is determined on the date of grant based on the market price of the Company’s common shares. This may not be indicative of the value on the settlement date.

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

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.

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.

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.

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Gander North	Gander South	Mt. Peyton	Carmanville	BLT	Cape Ray	Hermitage	Little River	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Acquisition Costs:									
Balance, June 30, 2022	1,243,958	192,253	1,476,734	202,089	434,834	804,055	354,722	149,905	4,858,550
Additions	172,956	21,968	191,835	28,738	56,695	133,334	40,320	16,988	662,834
Impairment	-	-	-	(230,827)	-	-	-	-	(230,827)
Balance, June 30 and September 30, 2023	1,416,914	214,221	1,668,569	-	491,529	937,389	395,042	166,893	5,290,557
Exploration Costs:									
Balance, June 30, 2022	1,428,066	94,586	1,007,700	118,212	494,083	428,763	92,576	46,401	3,710,387
Assays	30,778	4,169	396	501	9,148	10,245	1,090	-	56,327
Consulting	283,154	20,119	43,244	9,165	58,368	10,686	9,701	4,728	439,165
Field supplies	7,000	-	-	370	-	-	-	-	7,370
Drilling	166,558	-	-	-	-	-	-	-	166,558
Geophysics	142,283	-	-	-	-	-	-	-	142,283
Helicopter and expediting	98,880	3,369	48,689	182	23,719	55,216	10,900	-	240,955
JEA Rebate	-	-	(45,450)	-	-	-	-	-	(45,450)
Reports and maps	3,125	-	-	625	1,688	1,250	1,250	-	8,688
Sampling	113,353	15,827	403,760	73,430	65,590	82,740	33,740	-	788,440
Impairment	-	-	-	(202,485)	--	-	-	-	(202,485)
Balance, June 30, 2023	2,273,197	138,070	1,459,089	-	652,596	588,900	149,257	51,129	5,312,238
Assays	61,539	346	297	-	2,886	-	-	-	65,068
Consulting	48,230	9,606	30,553	-	30,528	1,415	2,109	107	122,548
Field supplies	-	-	994	-	719	-	-	-	1,713
Drilling	246,982	56,954	-	-	62,457	-	-	-	366,393
Geophysics	2,835	2,640	11,392	-	3,600	-	-	-	20,467
Helicopter and expediting	18,841	5,577	32,135	-	72,530	-	953	-	130,036
Permitting	2,250	517	-	-	-	-	-	-	2,767
Balance, September 30, 2023	2,653,874	213,710	1,534,460	-	825,316	590,315	152,319	51,236	6,021,230
Total Costs:									
Balance, June 30, 2023	3,690,111	352,291	3,127,658	-	1,144,125	1,526,289	544,299	218,022	10,602,795
Balance, September 30, 2023	4,070,788	427,932	3,203,029	-	1,316,845	1,527,704	547,361	218,129	11,311,787

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)Vulcan Properties, Newfoundland**Gander North/Gander South/Hermitage/Little River**

On February 28, 2021, the Company took assignment of an option agreement (the “Vulcan Agreement”) between Sassy and 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 Property”, “Gander South Property”, the “Little River Property” and the “Hermitage Property”) (collectively, the “Gander properties”).

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 by Sassy)(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

The Company also reimbursed Vulcan for a refundable staking deposit totaling \$28,950 which is posted with 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 GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)Wildwood Properties, Newfoundland**Gander North/Carmanville**

On May 31, 2021, the Company took assignment of an option agreement (the “Gander North Agreement”) between Sassy and Wildwood Exploration Inc. (“Wildwood”) dated March 12, 2021, as amended on April 7, 2021, 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 by Sassy)(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	-	-	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

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.

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

During the year ended June 30, 2023, the Company 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).

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Cape Ray**

On May 31, 2021, the Company took assignment of an option agreement (the “Cape Ray Agreement”) between Sassy and Wildwood dated March 12, 2021, as amended on April 7, 2021, which provides an exclusive option to acquire a 100% ownership interest in certain mineral claims located in Newfoundland (the “Cape Ray Property”).

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 by Sassy)(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	-	-	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

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.

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

On October 11, 2022, the Company 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, the Company 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 the Company’s election. On December 1, 2022, the Company exercised the right of repurchase by issuing 166,667 common shares at a fair value of \$25,833 to SUPR.

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Mount Peyton/BLT**

On May 31, 2021, the Company took assignment of an option agreement (the “Thwart Island Agreement”) between Sassy and Wildwood dated March 12, 2021, as amended on May 12, 2021, 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”).

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 by Sassy)(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	-	-	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.

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

As at June 30, 2023, the Company had advanced \$500,000 for future exploration work on its Gander properties. A total of \$418,574 was applied to exploration and evaluation expenditures incurred during the three month period ended September 30, 2023.

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	September 30, 2023	June 30, 2023
	(\$)	(\$)
Trade payables	409,495	456,123
Accrued liabilities	38,500	41,000
	<u>447,995</u>	<u>497,123</u>

6. 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:

	2023	2022
	(\$)	(\$)
Consulting fees	18,450	16,150
Geological fees (included in consulting fees)	22,500	22,500
Management fees	45,000	45,000
Professional fees	24,000	19,500
Share-based payments	143,825	49,501
	<u>253,775</u>	<u>152,651</u>

As at September 30, 2023, a total of \$Nil (June 30, 2023 - \$26,106) was included in accounts payable and accrued liabilities owing to key management of the Company for fees and reimbursable expenses.

On September 29, 2023, the Company borrowed \$300,000 from Sassy pursuant to a promissory note that is unsecured, due on demand and bears interest at 10% per annum. During the three month period ended September 30, 2023, the Company accrued \$247 of loan interest.

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
For the three month period ended September 30, 2023
(Expressed in Canadian dollars)

7. 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, 2022

On August 24, 2023, the Company issued 500,000 common shares pursuant to the exercise of RSUs. The fair value of the RSUs was determined to be \$92,500, and accordingly the amount has been transferred from reserves to share capital.

Year ended June 30, 2023

On September 26, 2022, the Company completed a non-brokered private placement financing wherein it issued 12,883,329 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 \$3,999,963. In connection with the financing, the Company paid a total of \$228,542 in cash and issued 714,704 finders' warrants valued at \$87,400 that are exercisable for 12 months at the issue price of the underlying security issued. The finders' warrants were valued using the Black-Scholes Option Pricing Model with the following parameters: expected price volatility: 165%, risk-free rate: 3.81%, expected life: 1 year and expected dividend yield: 0%. The Company incurred other share issuance costs totaling \$23,257.

The Company recorded a flow-through liability of \$521,464 on issuance of the charitable flow-through shares and flow-through shares. As at June 30, 2023, the Company incurred approximately 80% of the required flow-through expenditures under the issuance and \$420,546 was recognized as a flow-through premium recovery resulting in other liabilities of \$100,918 as at June 30, 2023.

On December 1, 2022, the Company issued 166,667 common shares valued at \$25,833 in connection with the Cape Ray property (Note 4).

On February 8, 2023, the Company issued 300,000 common shares to Vulcan valued at \$49,500 under the Vulcan Agreement (Note 4).

On March 27, 2023, the Company issued 2,500,000 common shares valued at \$287,500 to Wildwood under the Gander North, Cape Ray and Thwart Island Agreements (Note 4).

GANDER GOLD CORPORATION

Notes to the Condensed Interim Financial Statements
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7. SHARE CAPITAL AND RESERVES (continued)***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 CSE 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. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 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.

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

	Number of Options	Weighted Average Exercise Price
		(\$)
Balance, June 30, 2022	3,450,000	0.25
Issued	225,000	0.20
Balance, June 30 and September 30, 2023	<u>3,675,000</u>	<u>0.25</u>

The Company recorded share-based payments of \$9,775 (2022 - \$49,501) during the three month period ended September 30, 2023 in connection with vested stock options.

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. Expected volatilities are based on historical volatility of the Company’s shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during the year ended June 30, 2023 were as follows:

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

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7. SHARE CAPITAL AND RESERVES (continued)

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)
November 1, 2026	2,400,000	2,400,000	0.25	3.09
November 15, 2026	700,000	700,000	0.25	3.13
December 1, 2026	350,000	350,000	0.25	3.17
May 5, 2028	225,000	112,500	0.20	4.60
	3,675,000	3,562,500	0.25	3.20

RSUs

The Company has a rolling 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 CSE 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.

On May 5, 2023, the Company granted 2,975,000 RSUs that vested 50% immediately and the remaining 50% after six months. The Board elected for this RSU grant to be settled in common shares, and accordingly they are accounted for as equity instruments. The Company recorded share-based payments of \$137,594 during the three month period ended September 30, 2023 (2022 - \$Nil).

The continuity of the Company'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

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7. SHARE CAPITAL AND RESERVES (continued)

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
Expired	(714,704)	0.32
Balance, September 30, 2023	-	-

As at September 30, 2023, there are no warrants outstanding.

8. 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.

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8. FINANCIAL RISK MANAGEMENT (continued)

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 three month 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.

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 included in the statement of financial position are cash. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities and loan payable. The fair value of cash, accounts payable and accrued liabilities and loan payable 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.

GANDER GOLD CORPORATION

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8. FINANCIAL RISK MANAGEMENT (continued)

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 three month period ended September 30, 2023.

9. 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.

10. SUPPLEMENTAL CASH FLOW INFORMATION

	2023	2022
	(\$)	(\$)
Non-cash investing and financing activities:		
Exploration and evaluation expenditures in accounts payable	28,974	35,656
Fair value of RSUs transferred to share capital	92,500	-
Exploration advances reclassified as exploration and evaluation assets	418,574	-
Interest paid during the year	-	-
Income taxes paid during the year	-	-

11. 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 fee, representing approximately \$546,000, in the event of their agreement being terminated in connection with a change of control of the Company.

GANDER GOLD CORPORATION

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12. SUBSEQUENT EVENTS

Subsequent to September 30, 2023:

- a) the Company issued 375,000 common shares pursuant to the exercise of RSUs; and
- b) the Company borrowed \$100,000 from Sassy pursuant to a promissory note that is unsecured, due on demand and bears interest at 10% per annum.