PREMIUM NICKEL RESOURCES LTD. | principled mining

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

In accordance with generally accepted accounting principles in the United States and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission and stated in Canadian dollars, unless otherwise indicated.

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PREMIUM NICKEL RESOURCES LTD. | principled mining

Unaudited Condensed Interim Consolidated Balance Sheets

(Expressed in Canadian dollars)

	Notes	As at September 30, 2024 $	As at December 31, 2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		17,358,377	19,245,628
Prepaid expenses		1,285,587	900,310
Other receivables	3	826,490	532,835
Spare parts	18	1,202,055	212,135
TOTAL CURRENT ASSETS		**20,672,509**	**20,890,908**
NON-CURRENT ASSETS			
Exploration and evaluation assets	4,10	8,855,512	8,594,798
Property, plant and equipment	5	7,764,047	8,488,499
TOTAL NON-CURRENT ASSETS		**16,619,559**	**17,083,297**
TOTAL ASSETS		**37,292,068**	**37,974,205**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities	6	4,904,635	4,280,146
Lease liabilities	9	675,181	1,611,143
TOTAL CURRENT LIABILITIES		**5,579,816**	**5,891,289**
NON-CURRENT LIABILITIES			
Vehicle financing		280,470	236,124
Provision for leave and severance		959,537	510,202
Term Loan	7	18,710,277	17,956,423
DSU liability	11	1,293,071	884,481
NSR option liability	10	2,750,000	2,750,000
TOTAL NON-CURRENT LIABILITIES		**23,993,355**	**22,337,230**
TOTAL LIABILITIES		**29,573,171**	**28,228,519**
SHAREHOLDERS' EQUITY			
Common shares (no par value, unlimited common shares authorized; 185,708,588 issued and outstanding) (December 31, 2023 – 149,300,920)		-	-
Preferred shares		31,516	31,516
Additional paid-in capital		144,789,145	116,069,973
Deficit		(135,712,148)	(104,566,816)
Accumulated other comprehensive loss		(1,389,616)	(1,788,987)
TOTAL SHAREHOLDERS' EQUITY		**7,718,897**	**9,745,686**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**37,292,068**	**37,974,205**

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 19)

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

Approved by the Board of Directors on November 14, 2024.

"signed"
Keith Morrison
Director

"signed"
Jason LeBlanc
Director

PREMIUM NICKEL RESOURCES LTD. | principled mining

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

		Three months ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	Notes	**$**	**$**	**$**	**$**
EXPENSES					
General and administrative expenses	17	2,314,273	1,936,140	6,657,082	6,250,925
Depreciation	5	354,581	151,500	1,088,483	241,260
General exploration expenses	4	7,318,600	4,330,412	18,598,362	13,252,757
Interest and bank charges		10,557	17,035	26,831	34,865
Share-based payment	11	933,619	-	1,712,843	-
DSUs granted	11	317,497	215,764	882,410	564,000
Fair value movement of DSUs	11	(153,304)	36,355	(473,820)	(5,476)
Net foreign exchange loss		146,359	153,014	360,361	256,917
		11,242,182	**6,840,220**	**28,852,552**	**20,595,248**
OTHER ITEMS					
Interest (income) expense		(23,945)	126,623	(24,398)	193,441
Interest expense and accretion on Term Loan	7	786,723	717,991	2,317,178	728,277
Interest expense on A&R Promissory Note	8	-	-	-	682,547
NET LOSS FOR THE PERIOD		**12,004,960**	**7,684,834**	**31,145,332**	**22,199,513**
OTHER COMPREHENSIVE (INCOME) LOSS					
Exchange differences on translation of foreign operations		(143,911)	183,703	(399,371)	903,578
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**11,861,049**	**7,868,537**	**30,745,961**	**23,103,091**
Basic and diluted loss per share		**0.06**	**0.06**	**0.19**	**0.18**
Weighted average number of common shares outstanding – basic and diluted		**185,708,588**	**135,730,527**	**163,300,132**	**125,150,919**

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

PREMIUM NICKEL RESOURCES LTD. | principled mining

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Notes	Number of Shares	Preferred shares $	Additional paid-in capital $	Deficit $	Accumulated Other Comprehensive (Loss) Income $	Total Shareholders' Equity $
BALANCE AS AT DECEMBER 31, 2023		**149,300,920**	**31,516**	**116,069,973**	**(104,566,816)**	**(1,788,987)**	**9,745,686**
Net loss for the period		-	-	-	(31,145,332)	-	(31,145,332)
Share capital issued through private placement	11	36,281,409	-	28,239,254	-	-	28,239,254
Share issue costs	11	-	-	(1,232,925)	-	-	(1,232,925)
Exercise of options, net	11	126,259	-	-	-	-	-
Share-based payment	11	-	-	1,712,843	-	-	1,712,843
Exchange differences on translation of foreign operations		-	-	-	-	399,371	399,371
BALANCE AS AT SEPTEMBER 30, 2024		**185,708,588**	**31,516**	**144,789,145**	**(135,712,148)**	**(1,389,616)**	**7,718,897**
BALANCE AS AT JUNE 30, 2024		**185,708,588**	**31,516**	**143,874,771**	**(123,707,188)**	**(1,533,527)**	**18,665,572**
Net loss for the period		-	-	-	(12,004,960)	-	(12,004,960)
Share issue costs		-	-	(19,245)	-	-	(19,245)
Share-based payment		-	-	933,619	-	-	933,619
Exchange differences on translation of foreign operations		-	-	-	-	143,911	143,911
BALANCE AS AT SEPTEMBER 30, 2024		**185,708,588**	**31,516**	**144,789,145**	**(135,712,148)**	**(1,389,616)**	**7,718,897**
BALANCE AS AT DECEMBER 31, 2022		**116,521,343**	**31,516**	**77,302,736**	**(72,190,747)**	**(1,200,516)**	**3,942,989**
Net loss for the period		-	-	-	(22,199,513)	-	(22,199,513)
Share capital issued through private placement	11	19,209,184	-	24,014,273	-	-	24,014,273
Share issue costs	11	-	-	(1,866,097)	-	-	(1,866,097)
Fair value of lender warrants	7	-	-	1,468,231	-	-	1,468,231
Exchange differences on translation of foreign operations		-	-	-	-	(903,578)	(903,578)
BALANCE AS AT SEPTMEBER 30, 2023		**135,730,527**	**31,516**	**100,919,143**	**(94,390,260)**	**(2,104,094)**	**4,456,305**
BALANCE AS AT JUNE 30, 2023		**135,730,527**	**31,516**	**101,119,143**	**(86,705,426)**	**(1,920,391)**	**12,524,842**
Net loss for the period		-	-	-	(7,684,834)	-	(7,684,834)
Share issue costs		-	-	(200,000)	-	-	(200,000)
Exchange differences on translation of foreign operations		-	-	-	-	(183,703)	(183,703)
BALANCE AS AT SEPTEMBER 30, 2023		**135,730,527**	**31,516**	**100,919,143**	**(94,390,260)**	**(2,104,094)**	**4,456,305**

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

PREMIUM NICKEL RESOURCES LTD. | principled mining

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Nine months Ended	
	September 30, 2024 $	September 30, 2023 $
OPERATING ACTIVITIES		
Net loss for the period	(31,145,332)	(22,199,513)
Interest payment on Term Loan	(1,563,324)	(390,411)
Interest payment on A&R Promissory Note	-	(412,329)
Items not affecting cash:		
DSUs granted	882,410	564,000
Fair value movement of DSUs	(473,820)	(5,476)
Depreciation	1,088,483	241,260
Provision for leave and severance	449,335	257,104
Accrued interest and accretion on loans	2,237,268	337,866
Share-based payment	1,712,843	-
Accrued interest on lease liability	107,238	233,327
Changes in non-cash working capital and non-current liability		
Prepaid expenses and other receivables	(678,932)	(1,208,558)
Trade payables and accrued expenses	624,489	(1,499,776)
Spare parts	(989,920)	(212,135)
Net cash used in operating activities	**(27,749,262)**	**(24,294,641)**
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(25,835)	(2,852,916)
Additions to expenditures on exploration and evaluation assets	-	(483,883)
Interest received	91,703	39,622
Net cash from (used in) investing activities	**65,868**	**(3,297,177)**
FINANCING ACTIVITIES		
Proceeds from issuance of units	27,499,999	23,814,272
Share issue costs	(295,578)	(1,818,956)
Loan proceeds, net of fees	-	14,625,000
NSR option	-	2,750,000
A&R Promissory Note repayment	-	(7,000,000)
Vehicle financing payment, net	44,345	375
Lease payment	(1,112,496)	(946,427)
Net cash provided by financing activities	**26,136,270**	**31,424,264**
Effect of exchange rate changes on cash and cash equivalents	**(340,127)**	**(142,141)**
Change in cash and cash equivalents for the period	(1,887,251)	3,690,305
Cash and cash equivalents at the beginning of the period	19,245,628	5,162,991
Cash and cash equivalents at the end of the period	**17,358,377**	**8,853,296**
Supplemental cash flow information		
Income taxes paid	-	-
Interest paid	1,682,379	809,238

The accompanying notes are an integral part of these Unaudited Condensed Interim Consolidated Financial Statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

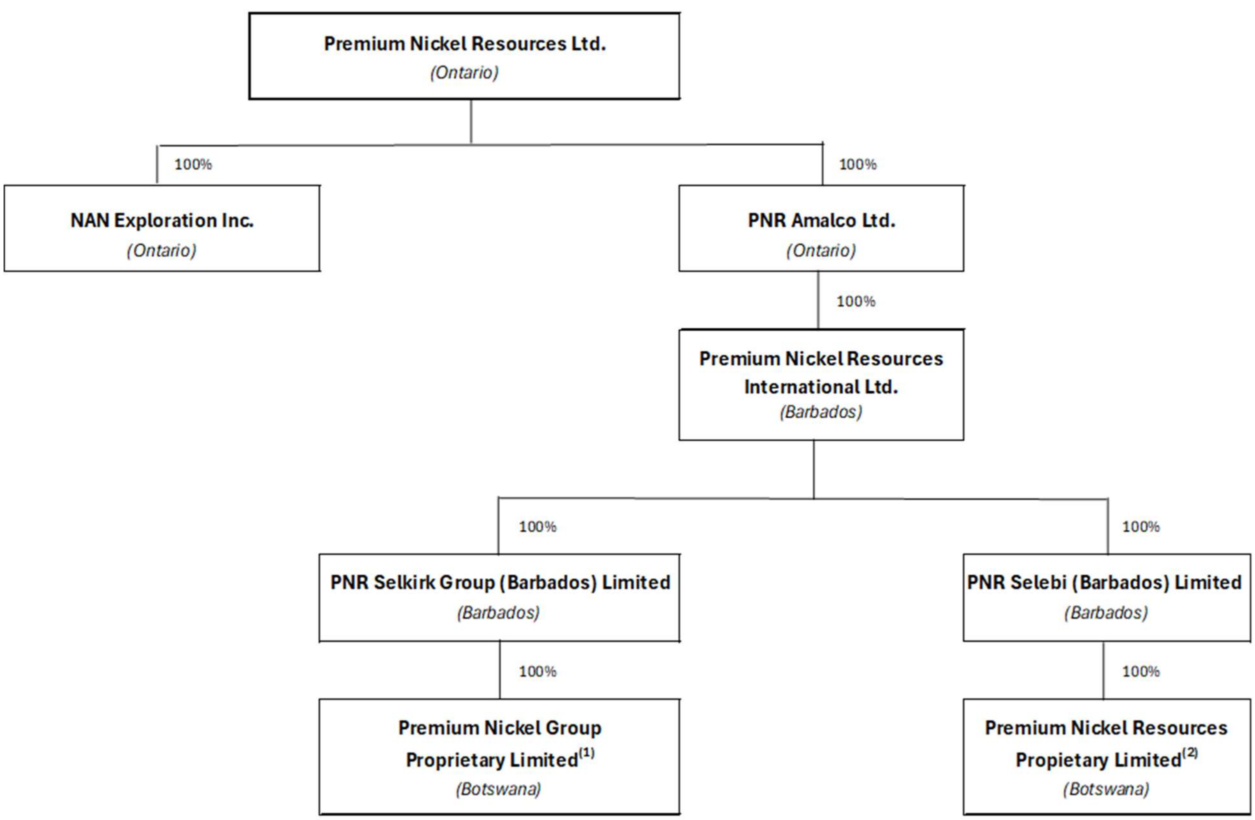
Premium Nickel Resources Ltd. (the "**Company**" or "**PNRL**") was founded upon the closing of a reverse takeover transaction (the "**RTO**") whereby Premium Nickel Resources Corporation ("**PNRC**") and 1000178269 Ontario Inc. a wholly-owned subsidiary of North American Nickel Inc. ("**NAN**"), amalgamated by way of a triangular amalgamation under the *Business Corporations Act* (Ontario) (the "**OBCA**") on August 3, 2022. The common shares of PNRL ("**Common Shares**") are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "PNRL".

Prior to the RTO, PNRC was a private company existing under the OBCA. PNRC was incorporated to evaluate, acquire, improve and reopen, assuming economic feasibility, a combination of certain assets of BCL Limited ("**BCL**") and Tati Nickel Mining Company ("**TNMC**") that were in liquidation in Botswana.

In connection with the RTO, the Company was continued under the OBCA and changed its name from "North American Nickel Inc." to "Premium Nickel Resources Ltd."

Currently, the Company's principal business activity is the exploration and evaluation of mineral properties in Botswana through its wholly-owned subsidiaries.

The following corporate structure chart sets out details of the direct and indirect ownership of the principal subsidiaries of the Company:



Notes:

(1) Premium Nickel Group Proprietary Limited owns the Selkirk Mine (as defined below).
(2) Premium Nickel Resources Proprietary Limited owns the Selebi Mines (as defined below).

The Company's head and registered office is located at One First Canadian Place, 100 King Street West, Suite 3400, Toronto, Ontario, Canada M5X 1A4.

The principal assets of the Company are the Selebi and Selebi North nickel-copper-cobalt ("**Ni-Cu-Co**") mines in Botswana and related infrastructure (together, the "**Selebi Mines**"), as well as the nickel, copper, cobalt, platinum-group elements ("**Ni-Cu-Co-PGE**") Selkirk mine in Botswana, together with associated infrastructure and four surrounding prospecting licenses (collectively, the "**Selkirk Mine**" and together with the Selebi Mines, the "**Mines**").

Going Concern

The Company, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of exploration and development. These risks include the challenges of securing adequate capital for exploration and advancement of the Company's material projects, operational risks inherent in the mining industry, and global economic and metal price volatility, and there is no assurance management will be successful in its endeavors. As at September 30, 2024, the Company had no source of operating cash flows, nor any credit line currently in place. The Company incurred a net loss of $31,145,332 for the nine months ended September 30, 2024. The Company's committed cash obligations and expected level of expenses will vary depending on its operations.

These unaudited condensed interim consolidated 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 ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations and its ability to obtain adequate financing. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned evaluation, development and operational activities. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations. These material uncertainties cast substantial doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities and the reported expenses and comprehensive loss that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The properties in which the Company currently has an interest are in pre-revenue stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned development and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future. The Company will continue to assess new properties and seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements were prepared in accordance with US GAAP for interim financial information and in accordance with the instructions in Article 10 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission ("**SEC**") for financial information.

Certain information or footnote disclosures normally included in annual financial statements prepared in accordance with US GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed interim consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

(Expressed in Canadian dollars)

The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. The interim period results do not necessary indicate the results that may be expected for any other interim period or for the full fiscal year.

(b) Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis under the historical cost convention, modified by the revaluation of any financial assets and financial liabilities where applicable. The preparation of consolidated financial statements in conformity with US GAAP requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

The significant accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2023.

Operating segments are reported in a manner consistent with the internal reporting used for the audited annual consolidated financial statements. The Company determined that it has one reportable operating segment being that of the acquisition, exploration and evaluation of mineral properties in three geographic segments, which are Canada, Barbados and Botswana (Note 15).

The Company's presentation currency is Canadian ("**CA**") dollars. Reference herein of $ or CAD is to CA dollars, US$ or USD is to United States dollars, and BWP is to Botswana pula.

(c) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries as summarized in the table below. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Name of Entity	Place of Incorporation	Percentage Ownership	Functional Currency
Premium Nickel Resources Ltd.	Ontario, Canada		CAD
NAN Exploration Inc.	Ontario, Canada	100	CAD
PNR Amalco Ltd.	Ontario, Canada	100	CAD
Premium Nickel Resources International Ltd.	Barbados	100	USD
PNR Selkirk Group (Barbados) Limited	Barbados	100	USD
PNR Selebi (Barbados) Limited	Barbados	100	USD
Premium Nickel Group Proprietary Limited	Botswana	100	BWP
Premium Nickel Resources Proprietary Limited	Botswana	100	BWP

(d) Use of estimates and judgment

The preparation of the unaudited condensed interim consolidated financial statements in accordance with US GAAP requires management to make judgements, estimates and assumptions that affect the implementation of the accounting policies and the recorded amount of assets and liabilities, income, expenses, and disclosure of contingent liabilities. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

(Expressed in Canadian dollars)

Judgement

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements is the same as disclosed in Note 3 of the consolidated financial statements for the year ended December 31, 2023.

Estimates

Information about assumptions and estimates uncertainties as at September 30, 2024, that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year is the same as disclosed in Note 3 of the consolidated financial statement for the year ended December 31, 2023.

3. OTHER RECEIVABLES

A summary of the Company's other receivables is detailed in the table below:

	September 30, 2024 $	December 31, 2023 $
HST paid on purchases	337,715	301,618
VAT paid on purchases	488,775	223,776
Other receivables	-	7,441
	826,490	**532,835**

4. EXPLORATION AND EVALUATION ASSETS

	Botswana		
	Selebi $	Selkirk $	Total $
Balance, December 31, 2022	8,251,518	327,109	8,578,627
Additions	483,883	-	483,883
Foreign currency translation	(449,878)	(17,834)	(467,712)
Balance, December 31, 2023	8,285,523	309,275	8,594,798
Foreign currency translation	251,333	9,381	260,714
Balance, September 30, 2024	**8,536,856**	**318,656**	**8,855,512**

The following is a description of the Company's exploration and evaluation assets and the related spending commitments.

Botswana Assets - Selebi and Selkirk

In September 2021, the Company executed the Selebi Asset Purchase Agreement ("the "**Selebi APA**") with the BCL liquidator to acquire the Selebi Mines formerly operated by BCL. In January 2022, the Company closed the transaction and ownership of the Selebi Mines transferred to the Company.

Pursuant to the Selebi APA, the aggregate purchase price payable to the seller for the Selebi Mines shall be the sum of $76,862,200 (USD 56,750,000), which amount shall be paid in three instalments:

- $2,086,830 (USD 1,750,000) payable on the closing date, and payment of care and maintenance funding contributions in respect of the Selebi Mines from March 22, 2021 to the closing date of $6,164,688 (USD 5,178,747). These payments have been made.
- $33,747,500 (USD 25,000,000) payable upon the earlier of: (a) approval by the Botswana Ministry of Mineral Resources,

Green Technology and Energy Security ("**MMRGTES**") of the Company's Section 42 and Section 43 applications (for the further extension of the mining license and conversion of the mining license into an operating license, respectively), and (b) on the expiry date of the study phase, January 31, 2026, which pursuant to the Selebi APA has been extended for one year from the original expiry date of January 31, 2025. This extension follows successful completion by the Company of the work and investment milestones required by the Selebi APA.

- $40,497,000 (USD 30,000,000) payable on the completion of mine construction and production start-up (commissioning) by the Company on or before January 31, 2030, but not later than four years after the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications.

The total acquisition cost of the Selebi Mines included the first instalment of $2,086,830 (USD 1,750,000) and the payment of the care and maintenance funding contribution of $6,164,688 (USD 5,178,747). As per the terms and conditions of the Selebi APA, the Company has the option to cancel the second and third payments and return the Selebi Mines to the liquidator if the Company determines that the Selebi Mines are not economical. The Company also has an option to pay in advance the second and third payments if the Company determines that the Selebi Mines are economical.

In addition to the Selebi APA, the purchase of the Selebi Mines is also subject to a contingent consideration agreement as well as a royalty agreement with the liquidator.

The Company also negotiated a separate asset purchase agreement (the "**Selkirk APA**") with the liquidator of TNMC in January 22 to acquire the Selkirk deposit and related infrastructure formerly operated by TNMC. The transaction closed in August 2022.

The Selkirk APA does not provide for a purchase price or initial payment for the purchase of the assets. The acquisition cost of the Selkirk Mine of $327,109 (USD 244,954) was the care and maintenance funding contribution from April 1, 2021 to the closing date of the Selkirk APA. The Selkirk APA provides that if the Company elects to develop the Selkirk Mine first, the payment of the second Selebi instalment of $33,747,500 (USD 25,000,000) would be upon the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications (for the further extension of the Selkirk mining license and conversion of the Selkirk mining license into an operating license, respectively). For the third Selebi instalment of $40,497,000 (USD 30,000,000), if the Selkirk Mine were to be commissioned earlier than the Selebi Mines, the payment would trigger on the Selkirk Mine's commission date.

In August 2023, the Company entered into a binding commitment letter with the liquidator of BCL, which is subject to customary final documentation, to acquire a 100% interest in two additional deposits ("**Phikwe South**" and the "**Southeast Extension**") located adjacent to and immediately north of the Selebi North shaft. The impact is to increase the Selebi mining license area. While the remaining historic resources at Phikwe South and the Southeast Extension occur within the expanded Selebi mining license, the amended license intentionally does not include the historic mine workings and infrastructure at these previously-producing properties, and the Company has no liability for historic environmental issues at those sites.

The upfront cost to the Company to acquire these additional mineral properties is $1,349,900 (USD 1,000,000). In addition, the Company agreed to additional work commitments of $6,749,500 (USD 5,000,000) in the aggregate over the next four years. As a result of the extension of the Selebi mining license, the remaining asset purchase obligations of the Company outlined in the original Selebi APA with the liquidator will each increase by 10%, or $7,424,450 (USD 5,500,000) in total, while the trigger events remain unchanged. The existing 2% net smelter royalty ("**NSR**") held by the Liquidator with respect to production from the Selebi mining license will also apply to production from these additional deposits, subject to the Company's existing buy-back right for 50% of the NSR (Note 10). The acquisition of the Phikwe South and the Southeast Extension deposits has not yet closed as at September 30, 2024.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

General Exploration Expenses

Details of the general exploration expenses by nature are presented as follows:

For the nine months ended September 30, 2024:

	Selebi $	Selkirk $	Other $	Total $
Site operations and administration	706,303	38,761	128,600	873,664
Care and maintenance	2,218,200	-	-	2,218,200
Geology	2,391,154	335,756	-	2,726,910
Drilling	5,209,401	163,232	-	5,372,633
Geophysics	868,261	31,537	-	899,798
Engineering	6,105,977	30,978	-	6,136,955
Environmental, social and governance	125,096	-	-	125,096
Metallurgy and processing	40,709	26,855	-	67,564
Technical studies	8,322	4,600	-	12,922
Health and safety	119,756	44	-	119,800
Mine re-development	19,195	25,625	-	44,820
Total	**17,812,374**	**657,388**	**128,600**	**18,598,362**

For the nine months ended September 30, 2023:

	Selebi $	Selkirk $	Other $	Total $
Site operations and administration	468,322	41,752	139,782	649,856
Care and maintenance	2,289,013	-	-	2,289,013
Geology	2,392,480	321,270	-	2,713,750
Drilling	1,301,463	6,683	-	1,308,146
Geophysics	1,460,507	17,792	-	1,478,299
Engineering	3,860,973	33,284	-	3,894,257
Environmental, social and governance	187,221	-	-	187,221
Metallurgy and processing	58,632	103,050	-	161,682
Technical studies	21,072	7,650	-	28,722
Health and safety	319,203	-	-	319,203
Water treatment project	46,102	-	-	46,102
Mine re-development	176,506	-	-	176,506
Total	**12,581,494**	**531,481**	**139,782**	**13,252,757**

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

5. PROPERTY, PLANT AND EQUIPMENT

The tables below set out costs and accumulated depreciation and amortization as at September 30, 2024 and December 31, 2023:

Cost	Land and Buildings (ROU Assets[(1)])	Exploration Equipment (ROU Assets[(1)])	Exploration Equipment	Furniture and Fixtures	Generator	Vehicles	Computer and software	Total
	$	$	$	$	$	$	$	$
Balance – December 31, 2022	**3,077,420**	**-**	**11,973**	**126,605**	**31,381**	**241,884**	**1,950**	**3,491,213**
Additions	-	1,023,615	4,190,484	65,998	8,557	187,310	585,561	6,061,525
Foreign currency translation	(167,783)	-	-	(704)	(1,711)	(31,162)	(20,104)	(221,464)
Balance – December 31, 2023	**2,909,637**	**1,023,615**	**4,202,457**	**191,899**	**38,227**	**398,032**	**567,407**	**9,331,274**
Additions	-	-	4,181	15,111	-	111,629	6,543	137,464
Foreign currency translation	88,261	-	123,337	3,609	1,160	12,074	35,916	264,357
Balance – September 30, 2024	**2,997,898**	**1,023,615**	**4,329,975**	**210,619**	**39,387**	**521,735**	**609,866**	**9,733,095**

Accumulated Depreciation	Land and Building (ROU[1] Assets)	Exploration Equipment (ROU[1] Assets)	Exploration Equipment	Furniture and Fixtures	Generator	Vehicles	Computer and software	Total
Balance – December 31, 2022	**51,123**	**-**	**1,447**	**1,872**	**562**	**39,589**	**1,950**	**96,543**
Depreciation during the year	119,133	85,301	306,112	14,030	6,212	69,997	143,998	744,783
Foreign currency translation	-	-	-	3,177	1,775	(3,503)	-	1,449
Balance – December 31, 2023	**170,256**	**85,301**	**307,559**	**19,079**	**8,549**	**106,083**	**145,948**	**842,775**
Depreciation during the period	81,979	155,318	635,096	10,661	5,801	80,025	119,603	1,088,483
Foreign currency translation	(1,776)	953	3,811	776	364	4,739	28,923	37,790
Balance – September 30, 2024	**250,459**	**241,572**	**946,466**	**30,516**	**14,714**	**190,847**	**294,474**	**1,969,048**

(Expressed in Canadian dollars)

Carrying Value	Land and Buildings (ROU[1] Assets)	Exploration Equipment (ROU[1] Assets)	Exploration Equipment	Furniture and Fixtures	Generator	Vehicles	Computer and Software	Total
Balance – December 31, 2023	**2,739,381**	**938,314**	**3,894,898**	**172,820**	**29,678**	**291,949**	**421,459**	**8,488,499**
Balance – September 30, 2024	**2,747,439**	**782,043**	**3,383,509**	**180,103**	**24,673**	**330,888**	**315,392**	**7,764,047**

Note:

(1) Land and Buildings (ROU Assets) contains the Syringa Lodge right-of-use ("**ROU**") asset and Exploration Equipment (ROU Assets) contains the drilling equipment supply agreement ROU asset (Note 9).

Additions to property, plant and equipment during the year ended December 31, 2023 included the acquisition of drilling equipment for $1,023,615 through a lease agreement with a drilling company (Note 9) as well as vehicles financed through a local Botswana bank.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

A summary of trade payables and accrued liabilities is detailed in the table below:

	September 30, 2024 $	December 31, 2023 $
Amounts due to related parties (Note 12)	24,667	93,795
Trade payables	3,595,882	2,383,196
Accrued liabilities	1,284,086	1,803,155
	4,904,635	**4,280,146**

7. TERM LOAN

On June 28, 2023, the Company closed a financing with Cymbria Corporation ("**Cymbria**"), EdgePoint Investment Group Inc. and certain other entities managed by it ("**EdgePoint**") for aggregate gross proceeds to the Company of $33,999,200. The financing included three concurrent and inter-conditional transactions (collectively the "**2023 Financing Transactions**") comprised of an equity offering of units for $16,249,200 (the "**Equity Financing**"), a three year term loan of $15,000,000 (the "**Term Loan**") and option payments of $2,750,000 (the "**Option Payment**") to acquire a 0.5% net smelter returns royalty on the Mines in certain circumstances upon payment of further consideration (Note 10).

The Term Loan has a principal amount of $15,000,000 and bears interest at a rate of 10% per annum payable quarterly in arrears. The principal amount of the Term Loan will mature and be payable on June 28, 2026. The obligations of the Company pursuant to the Term Loan are fully and unconditionally guaranteed by each of the Company's existing and future subsidiaries. The Term Loan is secured by a pledge of all the shares of the Company's subsidiaries as well as by way of a general security agreement at the parent level and debentures and hypothecations at the subsidiary level. The Term Loan is subject to certain covenants and provisions on events of default, repayments and mandatory prepayments, including:

- increase in the interest rate payable on the Term Loan to 15% per annum upon the occurrence of an event of default;
- the Company may prepay all or any portion of the principal amount outstanding with a minimum repayment amount of $500,000 and in an integral multiple of $100,000, together with all accrued and unpaid interest on the principal amount being repaid;
- if prepayment occurs within one year of the closing date, a prepayment fee in an amount equal to 10% of the

(Expressed in Canadian dollars)

principal amount of the Term Loan being prepaid less interest paid or payable on or prior to the date of prepayment attributable to the portion of the Term Loan ("**Prepayment Fee**"); and

- mandatory prepayment shall be made when the Company has non-ordinary course asset sales or other dispositions of property or the Company receives cash from the issuance of indebtedness for borrowed money.

In connection with the Term Loan, the Company issued an aggregate of 2,000,000, non-transferable common share purchase warrants (the "**Non-Transferable Warrants**") to Cymbria. Each Non-Transferable Warrant is exercisable by Cymbria to purchase one Common Share at a cash purchase price of $1.4375 per Common Share until June 28, 2026.

Further, on December 14, 2023, the Company and Cymbria closed an amendment to the terms of their existing Term Loan, increasing the principal amount of the Term Loan by $5,882,353 (the "**Additional Principal Amount**") from $15,000,000 to $20,882,353. The Additional Principal Amount was subject to an original issue discount of approximately 15% and was advanced by the lender to the Company as a single advance of $5,000,000. The Additional Principal Amount forms a part of the Term Loan and is on the same terms and conditions applicable to the Term Loan. As consideration for entering into the amended Term Loan, the Company issued an additional 700,000 non-transferable common share purchase warrants (the "**Additional Warrants**") to the lender, with each Additional Warrant entitling the lender to acquire one Common Share at a price of $1.4375 per Common Share until June 28, 2026. The shares issued for exercise of the Additional Warrants are subject to a hold period of four months plus a day from the date of issue and the resale rules of applicable securities legislation and policies of the TSXV.

The Company evaluated the amendment of the Term Loan and determined that it qualified as a non-substantial modification under ASC 470. Therefore, a new effective interest rate was determined based on the carrying amount of the original debt instrument, adjusted for the fair value of the Additional Warrants resulting from the modification, and the revised cash flows.

The fair value of the Non-Transferable Warrants and Additional Warrants was estimated at $1,435,350 and $275,961 respectively, using the Black-Scholes Option Pricing Model. At initial closing, the accounting was based on relative fair value under ASC 470, with proceeds and transaction costs allocated between the Term Loan and the Non-Transferrable Warrants. The Non-Transferrable Warrants were allocated $1,352,054, including $83,296 in transaction costs. The Additional Warrants were accounted for as transaction costs for obtaining the Additional Principal Amount. As such, $1,352,054 and $275,961 respectively were recorded in equity.

The fair value of the Non-Transferable Warrants and Additional Warrants was calculated using the following assumptions:

	Non-Transferable Warrants	Additional Warrants
Expected dividend yield	0%	0%
Share price	$1.35	$1.14
Expected share price volatility	92.06%	63.54%
Risk free interest rate	4.13%	3.73%
Expected life of warrant	3 years	2.54 years

The volatility was determined by calculating the historical volatility of stock prices of the Company over the same period as the expected life of the Transferable Warrants using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns.

The Company used $7,637,329 of the proceeds from the Term Loan to prepay all principal, interest and fees owing by the Company pursuant to the A&R Promissory Note (defined in Note 8) in favour of Pinnacle Island LP.

For the nine months ended September 30, 2024, the Company paid $1,563,324 of interest costs to Cymbria (September 30, 2023 – $390,411).

(Expressed in Canadian dollars)

The following is a continuity of the Term Loan:

	$
Principal amount of the Term Loan	15,000,000
Fair value of the Non-Transferrable Warrants	(1,435,350)
Term Loan at fair value on issuance, June 28, 2023	13,564,650
Transaction costs	(787,175)
Accrued interest	390,411
Accretion of warrant value and transaction costs	631,540
Interest paid	(390,411)
Fair value of Term Loan as of December 14, 2023	13,409,015
Additional principal amount of Term Loan on December 14, 2023	5,882,353
Term Loan issue discount	(882,353)
Fair value of the Additional Warrants	(275,961)
Transaction fee for modification	(219,212)
Fair value of modified Term Loan as of December 14, 2023	17,913,842
Accrued interest	402,981
Accretion of warrant value and transaction costs	42,581
Interest paid	(402,981)
Term Loan balance, December 31, 2023	**17,956,423**
Accrued interest	1,563,324
Accretion of warrant value and transaction costs	753,854
Interest paid	(1,563,324)
Term Loan balance, September 30, 2024	**18,710,277**

Fort Capital Partners acted as financial advisor to the Company on the debt portion of the 2023 Financing Transactions and was paid cash fees of $375,000 and $147,059, equal to 2.5% of the original principal amount and the Additional Principal Amount, respectively. Legal fees related to the 2023 Financing Transactions totaled $736,067, of which $495,471 was allocated to the original Term Loan. Legal fees of $72,153 associated with the Second A&R Commitment Letter were recorded and amortized over the remaining terms of the Term Loan. As noted above, certain transaction costs in relation to the original principal amounts were allocated to the Non-Transferrable Warrants based on the relative fair value method under ASC 470.

8. PROMISSORY NOTE

On November 21, 2022, the Company announced a $7,000,000 bridge loan (the "**Bridge Loan**") financing from Pinnacle Island LP (the "**Lender**"). The Bridge Loan financing closed on November 25, 2022 and net proceeds of $6,740,000 were received by the Company (after deducting the commitment fee of $260,000). The Bridge Loan was evidenced by the issuance of a promissory note by the Company to the Lender (the "**Promissory Note**"). The Promissory Note had a principal amount of $7 million and bore interest at a rate of 10% per annum, calculated monthly and initially payable on February 22, 2023, being the maturity date of the Promissory Note, with a right of the Company to extend the maturity. The Company extended the maturity of the Promissory Note to March 22, 2023.

On March 17, 2023, the Company entered into an amended and restated Promissory Note (the "**A&R Promissory Note**") extending the maturity of the Promissory Note from March 22, 2023 to November 24, 2023 (the "**Extension**"). All other terms of the Promissory Note remained the same. In connection with the Extension and entering into of the A&R Promissory Note, the Company agreed to pay an amendment and restatement fee of $225,000 and issued 350,000 non-transferable common share purchase warrants to the Lender (the "**Lender Warrants**"). Each Lender Warrant is exercisable to acquire one Common Share of the Company at a price of $1.75 per Common Share for a period of one year from the date of the A&R Promissory Note. In connection with the Extension and issuance of the Lender Warrants, the 119,229 common share purchase warrants previously issued to the Lender in connection with the initial issuance of the Promissory Note were cancelled concurrently with the Extension.

(Expressed in Canadian dollars)

In connection with the A&R Promissory Note, interest and accretion expense of nil and $682,547 was recorded for the three and nine months ended September 30, 2023, respectively.

The fair value of the liability of the Lender Warrants was estimated at $116,177 using the Black-Scholes Option Pricing Model. The fair value of the Lender Warrants and the amendment and restatement fee of $225,000 was added to the liability of the A&R Promissory Note and amortized over the remaining life of the A&R Promissory Note.

The fair value of the Lender warrants was calculated using the following assumptions:

	March 17, 2023
Expected dividend yield	0%
Share price	$1.40
Expected share price volatility	77.2%
Risk free interest rate	3.49%
Expected life of warrant	1 year

The volatility was determined by calculating the historical volatility of share prices of the Company over one year using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns.

On June 28, 2023, the Company repaid the A&R Promissory Note in full, and on March 17, 2024, the Lender Warrants expired unexercised.

9. LEASE LIABILITIES

Syringa Lodge

In July 2022, the Company executed a sales agreement (the "**Lodge Agreement**") with Tuli Tourism Pty Ltd. (the "**Seller**") for the Syringa Lodge in Botswana.

Pursuant to the Lodge Agreement, the aggregate purchase price payable to the Seller shall be the sum of $3,213,404 (BWP 30,720,000), payable in three installments. A deposit of $482,011 (BWP 4,608,000) was paid in August 2022, and a second installment of $1,306,906 (BWP 13,056,000) was paid in July 2023. On September 12, 2024, the Company paid 50% of the final installment of $653,061 (BWP 6,528,000) with the remaining balance of $665,203 (BWP 6,528,000) due on November 30, 2024. Title of the asset transfers to the Company upon payment of the remaining balance.

In addition to the above purchase price, the Company is required to pay to the Seller an agreed interest amount of 6% per annum on the outstanding balance, accrued and payable monthly. The Company recognized a finance lease for this lease.

Drilling Equipment

In March 2023, the Company entered into a drilling equipment supply agreement (the "**Equipment Agreement**") with Forage Fusion Drilling Ltd. ("**Forage**") to purchase specific drilling equipment on a "rent to own" basis with the purchase price to be paid in monthly payments.

Pursuant to the Equipment Agreement, the aggregate purchase price payable to Forage is $2,942,000. A deposit of $1,700,000 was paid in March 2023. The balance was payable in twelve equal monthly instalments of $103,500. Based on the stated equipment purchase price of $2,735,000 and monthly installments, the implied interest rate for the arrangement was 35%. The final installment was paid on April 12, 2024 and the equipment is now 100% owned by the Company. The Company recognized a finance lease for this lease.

(Expressed in Canadian dollars)

The following table presents lease cost and other supplemental lease information:

	September 30, 2024 $	September 30, 2023 $
Finance lease cost:		
Amortization of right-of-use assets	237,297	126,380
Interest expense on lease liabilities	107,238	233,327
Cash paid for finance lease liabilities	1,043,200	3,602,167

10. NSR OPTION

Concurrently with the closings of the Equity Financing and the Term Loan on June 28, 2023, Cymbria paid an aggregate of $2,750,000 ("**Option Payment**") to two subsidiaries of PNRL to acquire a right to participate with such subsidiaries in the exercise of certain contractual rights. The Option Payment was allocated to PNRP and PNGP (defined below) for $2,500,000 and $250,000, respectively.

As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the option as at September 30, 2024 and December 31, 2023 is nil. The Option payment received in cash was recorded as a non-current liability.

PNRL's indirect wholly-owned subsidiary Premium Nickel Resources Proprietary Limited ("**PNRP**") acquired the Selebi Mines in January 2022 out of liquidation. Pursuant to the acquisition agreement, the liquidator retained a 2% net smelter returns royalty on the Selebi Mines (the "**Selebi NSR**"). PNRP has a contractual right to repurchase one-half of the Selebi NSR at a future time on payment by PNRP to the liquidator of $26,998,000 (USD 20,000,000).

PNRL's indirect wholly-owned subsidiary Premium Nickel Group Proprietary Limited ("**PNGP**") acquired the Selkirk Mine in August 2022 out of liquidation. Pursuant to the acquisition agreement, the liquidator retained a 1% net smelter returns royalty on the Selkirk Mine (the "**Selkirk NSR**" and together with the Selebi NSR, the "**NSRs**"). PNGP has a contractual right to repurchase the entirety of the Selkirk NSR at a future time on payment by PNGP to the liquidator of $2,699,800 (USD 2,000,000).

Each of PNRP and PNGP has agreed to grant Cymbria, in exchange for the Option Payment, an option to participate in any such repurchase of the applicable portion of its NSR from the relevant liquidator. Cymbria will, following the exercise of its option to participate in any such repurchase, acquire a 0.5% net smelter returns royalty on the applicable property by paying an amount equal to one half of the repurchase price payable by PNRP or PNGP pursuant to the applicable NSR, less the Option Payment paid at closing pursuant to the relevant option agreement among Cymbria and PNRP or PNGP, as applicable. Cymbria has the right to put its options back to PNRP and PNGP in certain circumstances in return for the reimbursement of the applicable portion of the Option Payment.

Under the NSR option purchase agreements, Cymbria could acquire a 0.5% net smelter returns royalty on the Selebi Mines and Selkirk Mine upon payment of $10,937,565 (USD 8,102,500) and $1,093,756 (USD 810,250), respectively.

11. SHARE CAPITAL, WARRANTS AND OPTIONS

The authorized capital of the Company comprises an unlimited number of Common Shares without par value and 100,000,000 Series 1 convertible preferred shares without par value.

a) Common Shares Issued and Outstanding

During the nine months ended September 30, 2024, 126,259 Common Shares were issued for the net exercise of 278,100 options. No Common Shares were issued from the exercise of options for the nine months ended September 30, 2023. In addition, 36,281,409 Common Shares were issued during the nine months ended September 30, 2024 as a result of the following financing transactions:

(Expressed in Canadian dollars)

On June 14, 2024, the Company closed the first tranche of a non-brokered private placement offering (the "**June 2024 Financing**"), pursuant to which the Company issued an aggregate 19,234,614 units of the Company (the "**Units**") at a price of $0.78 per Unit (the **"Issue Price"**) for aggregate gross proceeds of $15,002,999. Each Unit is comprised of one Common Share and one common share purchase warrant of the Company (each, a "**Warrant**").

On June 21, 2024, the Company closed the second tranche of the June 2024 Financing and issued an additional 16,021,795 Units at the Issue Price for gross proceeds of $12,497,000.

Each Warrant entitles the holder thereof to acquire one Common Share for a period expiring 60 months following the date of issuance (the "**Expiry Date**") at a price of $1.10 per Common Share. If, at any time prior to the Expiry Date, the volume-weighted average trading price of the Common Shares is at least $2.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the Expiry Date with 30 days' notice to the Warrant holders.

All securities issued under the June 2024 Financing are subject to a hold period of four months plus one day from the date of issuance. In connection with the June 2024 Financing, SCP Resource Finance LP **(**"**SCP**"), in its capacity as financial advisor to the Company, was paid an advisory fee which the Company has satisfied by issuing to SCP an aggregate of 1,025,000 Units (comprised of 1,025,000 Common Shares and 1,025,000 non-transferable Warrants), and Fort Capital was paid an advisory fee of $250,000, in each case in consideration for providing certain advisory services to the Company in connection with the June 2024 Financing.

The fair value of the Warrants issued under the June 2024 Financing, calculated using the Monte Carlo model, was estimated at $12,533,135. Gross proceeds raised of $27,499,999 and related issuance costs of $250,000 in cash, and the value of $1,087,755 for 1,025,000 Units granted to SCP were allocated to the Common Shares and the Warrants based on relative fair values. The key inputs used in the Monte-Carlo model were as follows:

	June 14, 2024	**June 21, 2024**
Expected dividend yield	0%	0%
Share price	$0.81	$0.84
Expected share price volatility	83.17%	83.71%
Risk free interest rate	3.23%	3.30%
Expected life of warrant	5 years	5 years

The volatility was determined by calculating the historical volatility of stock prices of the Company over a 5-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns.

During the year ended December 31, 2023, the Company completed the following financing transactions:

On February 24, 2023, the Company issued 4,437,184 Common Shares at a price of $1.75 per share for gross proceeds of $7,765,072 upon the closing of a brokered private placement (the "**February 2023 Financing**"). In connection with the February 2023 Financing, the Company: (a) paid to the agents a cash commission of $473,383 and (b) issued to the agents 221,448 non-transferable broker warrants of the Company (the "**Broker Warrants**"). Each Broker Warrant is exercisable to acquire one Common Share at an exercise price of $1.75 per Common Share until February 24, 2025. The fair value of the Broker Warrants was estimated at $167,939 using the Black-Scholes Option Pricing Model. Legal fees related to the February 2023 Financing of $133,164 were also recorded as a share issuance cost.

On June 28, 2023, the Company issued 14,772,000 units at a price of $1.10 per unit to EdgePoint for aggregate gross proceeds of $16,249,200 upon the closing of the 2023 Financing Transactions. Each unit comprises one Common Share and 22.5% of one whole common share purchase warrant (each a "**Transferable Warrant**" and together, the "**Transferable Warrants**"). The total whole number of Transferable Warrants issuable in the Equity Financing is

(Expressed in Canadian dollars)

3,324,000. Each Transferable Warrant may be exercised by the holder to purchase one Common Share at an exercise price of $1.4375 per Common Share for a period of three years. The fair value of the Transferable Warrants was estimated at $1,898,349 using a proportionate allocation method based on the fair value of each component (Common Shares and warrants). The fair value of the warrants is calculated using the Black-Scholes Option Pricing Model while the fair value of the shares is determined by the share price on the closing date of the Equity Financing times the total number of shares issued.

Fort Capital Partners acted as financial advisor to the Company on the equity portion of the 2023 Financing Transactions and was paid cash fees of $812,460. Legal fees related to the 2023 Financing Transactions (Note 7) totaled $736,067, of which $240,596 was recorded as share issuance cost.

The fair value of the Transferable Warrants in connection with the February 2023 Financing and the 2023 Financing Transactions were calculated using the following assumptions:

	February 24, 2023	**June 28, 2023**
Expected dividend yield	0%	0%
Share price	$1.73	$1.35
Expected share price volatility	77.52%	92.06%
Risk free interest rate	4.28%	4.13%
Expected life of warrant	2 years	3 years

The volatility was determined by calculating the historical volatility of stock prices of the Company over a period as the expected life of the Transferable Warrants using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns.

On December 14, 2023, the company closed an equity and debt financing package of $21,642,393, comprised of a brokered private placement (the "**Private Placement**") and amended Term Loan (Note 7). The Private Placement was entered into by the Company with Cormark Securities Inc. and BMO Capital Markets, as co-lead agents, and Canaccord Genuity Corp., Fort Capital Securities Ltd. and Paradigm Capital Inc. (collectively, the "**Agents**"). Under the Private Placement, the Company issued an aggregate of 13,133,367 Common Shares at a price of $1.20 per Common Share for aggregate gross proceeds of $15,760,040. In consideration of the services provided by the Agents under the Private Placement, the Company paid to the Agents an aggregate cash commission of $796,983. In connection with the Private Placement, EdgePoint exercised its participation right in respect of the Private Placement (the "**Participation Right**") and subscribed for an aggregate of 1,265,800 Common Shares. EdgePoint was granted the Participation Right pursuant to the terms of a subscription agreement between the Company and EdgePoint dated June 28, 2023.

(Expressed in Canadian dollars)

b) Warrants

The following summarizes common share purchase warrant activity:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number Outstanding	**Weighted Average Exercise Price ($)**	**Number Outstanding**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of the year	6,891,099	1.50	1,098,786	1.96
Issued	36,281,409	1.10	6,595,448	1.46
Exercised	-	-	(100,000)	(1.75)
Expired	(645,651)	(2.05)	(703,135)	(1.80)
Outstanding, end of the period	**42,526,857**	**1.15**	**6,891,099**	**1.50**

At September 30, 2024, the Company had outstanding common share purchase warrants exercisable to acquire Common Shares as follows:

Warrants Outstanding	**Expiry Date**	**Exercise Price ($)**
221,448	February 24, 2025	1.75
5,324,000	June 28, 2026	1.44
700,000	June 28, 2026	1.44
20,259,614	June 14, 2029	1.10
16,021,795	June 21, 2029	1.10
42,526,857		

c) Stock Options

The Company has a stock option plan (the "**Option Plan**") providing the authority to grant options to directors, officers, employees and consultants enabling them to acquire up to 27,100,000 Common Shares of the Company. Under the Option Plan, the exercise price of each option shall not be less than the discounted market price on the grant date and as approved by the Board of Directors of the Company. The options can be granted for a maximum term of ten years.

The following summarizes the option activity under the Option Plan:

	Nine months ended September 30, 2024		Year ended December 31, 2023	
	Number Outstanding	**Weighted Average Exercise Price ($)**	**Number Outstanding**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of the year	13,487,921	1.39	10,407,044	1.10
Issued	3,110,000	1.10	3,833,277	1.75
Exercised	(278,100)	(0.86)	(488,900)	(0.49)
Cancelled	(150,000)	(1.75)	(263,500)	(2.40)
Outstanding, end of the period	**16,169,821**	**1.34**	**13,487,921**	**1.39**

(Expressed in Canadian dollars)

During the nine months ended September 30, 2024, the Company granted an aggregate of 3,110,000 stock options to employees, directors, officers and consultants with a term of five years. The options have an exercise price of $1.10 per Common Share and vest annually in equal thirds beginning on the date of grant.

During the year ended December 31, 2023, the Company granted an aggregate of 3,833,277 stock options to employees, directors, officers and consultants with a term of five years. The options have an exercise price of $1.75 per Common Share and vest annually in equal thirds beginning on the first anniversary of the date of grant.

For the three and nine months ended September 30, 2024, a total of $933,619 (Q3 2023 – Nil) and $1,712,843 (YTD 2023 – Nil), respectively, was recorded as share-based payment expense and credited to additional paid-in capital.

The fair value of stock options granted was determined using the following assumptions:

	Nine months ended September 30, 2024	**Year ended December 31, 2023**
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%
Expected share price volatility	117.60%	87.92%
Risk free interest rate	2.91%-3.23%	4.28-4.68%
Expected life of options	2.5-3.5 years	3-4 years

Details of options outstanding as at September 30, 2024 are as follows:

Options Outstanding	**Options Exercisable**	**Expiry Date**	**Exercise Price ($)**
660,000	660,000	February 24, 2025	0.80
240,000	240,000	August 19, 2025	0.45
3,320,100	3,320,000	January 26, 2026	0.39
495,000	495,000	February 25, 2026	1.60
1,185,750	1,185,750	September 29, 2026	0.91
998,794	998,794	October 25, 2026	2.00
2,476,900	2,476,900	January 20, 2027	2.40
3,683,277	1,227,759	August 8, 2028	1.75
3,110,000	1,036,666	August 14, 2029	1.10
16,169,821	**11,640,869**		

d) DSU Plan

The Company has a deferred share unit plan (the "**DSU Plan**") that enables the Company to grant DSUs to eligible non-management directors upon approval by the Board of Directors. The DSUs credited to the account of a director may only be redeemed following the date upon which the holder ceases to be a director. Depending upon the country of residence of a director, the DSUs may be redeemed at any time prior to December 15th in the calendar year following the year in which the holder ceases to be a director and may be redeemed in as many as four installments. Upon redemption, the holder is entitled to a cash payment equal to the number of units redeemed multiplied by the five-day volume weighted average price of the Common Shares on that date. The Company may elect, in its sole discretion, to settle the value of the DSUs redeemed in Common Shares on a one-for-one basis, provided shareholder approval has been obtained on or prior to the relevant redemption date.

(Expressed in Canadian dollars)

The following is a continuity of the DSUs:

	Number Outstanding	Market Price (1) ($)	Fair Value ($)
DSUs outstanding at December 31, 2022	200,000	1.49	298,000
Granted	600,951	1.33	798,122
Redeemed	(69,976)	1.19	(83,527)
Fair value adjustment	-		(128,114)
DSUs outstanding at December 31, 2023	730,975	1.21	884,481
Granted	1,116,269	0.79	882,410
Fair value adjustment	-		(473,820)
DSUs outstanding at September 30, 2024	**1,847,244**	0.70	**1,293,071**

Note:

(1) Under the DSU Plan, Market Price is the volume weighted average price on the TSXV for the last five trading days immediately preceding the grant date or redemption date.

During the three and nine months ended September 30, 2024, the DSU compensation, net of fair value adjustments, was $164,193 (Q3 2023 - $252,119) and $408,590 (YTD 2023 - $558,524), respectively, and was recorded as share based compensation expense.

The DSUs are classified as a derivative financial liability measured at fair value, with changes in fair value recorded in profit or loss. The fair value of the DSUs was determined by the volume weighted average price on the TSXV for the last five trading days of each reporting period. As at September 30, 2024, the Company reassessed the fair value of the DSUs at $1,293,071 and recorded the amount as a DSU liability (December 31, 2023 - $884,481).

12. RELATED PARTY TRANSACTIONS

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 6).

	September 30, 2024 $	December 31, 2023 $
Directors and officers of the Company	24,667	93,795
	24,667	**93,795**

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

(a) Related party transactions

As a result of the 2023 Financing Transactions on June 28, 2023 and December 14, 2023, Cymbria and certain other funds managed by EdgePoint (the "**Financing Parties**") acquired a total of 16,037,800 Common Shares, representing approximately 10.7% of the Company's issued and outstanding Common Shares at the time. The Financing Parties also acquired on closing of the 2023 Financing Transactions an aggregate of 6,024,000 warrants with an expiration date of June 28, 2026 and an exercise price of $1.4375 which, if exercised, together with the Common Shares acquired at closing would result in the Financing Parties holding approximately 14.2% of the Common Shares in the aggregate (calculated on a partially-diluted basis). As a result of the 2023 Financing Transactions, the Financing Parties are related parties of the Company.

For the three and nine months ended September 30, 2024, the Company paid interest of $524,912 (Q3 2023 - $390,411) and $1,563,324 (YTD 2023 - $390,411), respectively, to the Financing Parties.

(Expressed in Canadian dollars)

In connection with the June 2024 Financing, EdgePoint subscribed for 7,692,307 Units at $0.78 per Unit for gross proceeds of approximately $6.0 million. As of September 30, 2024, EdgePoint beneficially owns 23,833,224 Common Shares and 13,716,307 Warrants, representing approximately 12.8% of the issued and outstanding Common Shares (approximately 18.8% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint). All warrants issued to EdgePoint as part of the June 2024 Financing include customary restrictions providing that EdgePoint will not exercise such number of warrants so as to bring its undiluted share ownership percentage above 20.0% of the Company's issued and outstanding Common Shares without obtaining the requisite shareholder and TSXV approval.

In connection with the June 2024 Financing, certain insiders of the Company subscribed for an aggregate of 1,389,140 Units for gross proceeds of $1,083,529.

(b) Key management personnel is defined as members of the Board of Directors and senior officers.

Key management compensation was related to the following:

	Nine months ended September 30,	
	2024	**2023**
	$	**$**
Management fees, salaries and benefits	2,596,401	2,679,450
DSUs granted, net of fair value movements	408,590	558,524
Share-based payment	1,014,619	-
	4,019,610	**3,237,974**

13. FINANCIAL INSTRUMENTS

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include interest rate risk, credit risk, liquidity risk, market risk and currency risk. The carrying value of cash and cash equivalents, trade payables and accrued liabilities approximate their fair value due to their short-term nature. Such fair value estimates are not necessarily indicative of the amounts the Company might pay or receive in actual market transactions. The fair value of the DSUs is measured using the closing price of the Company's Common Shares at the end of each reporting period. Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

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 or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

On September 30, 2024 and December 31, 2023, the fair value of cash and cash equivalents and DSUs is based on Level 1 measurements.

(Expressed in Canadian dollars)

14. RISK MANAGEMENT

The Company's exposure to market risk includes, but is not limited to, the following risks:

Interest Rate Risk

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

Foreign Currency Exchange Rate Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. In addition, the value of cash and other financial assets and liabilities denominated in foreign currencies can fluctuate with changes in currency exchange rates.

The Company primarily operates in Canada, Barbados and Botswana and undertakes transactions denominated in foreign currencies such as the United States dollar and Botswana Pula, and consequently is exposed to exchange rate risks. Exchange rate risks are managed by matching levels of foreign currency balances and related obligations and by maintaining operating cash accounts in non-Canadian dollar currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported and translated into CAD at the closing rate.

	Short-term exposure		Long-term exposure
	USD	**BWP**	**BWP**
	$	**$**	**$**
September 30, 2024			
Financial assets	1,746,290	1,495,375	70,525,700
Financial liabilities	(1,637,329)	(2,190,746)	(1,240,006)
Total exposure	**108,961**	**(695,371)**	**69,285,694**

	Short-term exposure		Long-term exposure
	USD	**BWP**	**BWP**
	$	**$**	**$**
December 31, 2023			
Financial assets	2,576,180	755,386	54,082,922
Financial liabilities	(501,458)	(4,851,201)	(3,508,714)
Total exposure	**2,074,722**	**(4,095,815)**	**50,574,208**

The following table illustrates the sensitivity of net loss in relation to the Company's financial assets and financial liabilities and the USD/CAD exchange rate and BWP/CAD exchange rate, all other things being equal. It assumes a +/- 5% change of the USD/CAD and BWP/CAD exchange rates for the nine months ended September 30, 2024 and the year ended December 31, 2023, respectively.

(Expressed in Canadian dollars)

If the CAD strengthened against the USD and BWP by 5%, it would have had the following impact:

	Short-term exposure			Long-term exposure
	USD $	BWP $	Total $	BWP $
September 30, 2024	5,448	(34,769)	(29,321)	3,464,285
December 31, 2023	103,736	(204,791)	(101,055)	2,528,710

If the CAD weakened against the USD and BWP by 5%, respectively, it would have had the following impact:

	Short-term exposure			Long-term exposure
	USD $	BWP $	Total $	BWP $
September 30, 2024	(5,448)	34,769	29,321	(3,464,285)
December 31, 2023	(103,736)	204,791	101,055	(2,528,710)

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's credit risk is primarily associated with liquid financial assets. The Company limits exposure to credit risk on liquid financial assets by holding cash and cash equivalents at highly-rated financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages the liquidity risk inherent in these financial obligations by regularly monitoring actual cash flows against its annual budget, which forecasts expected cash availability to meet future obligations.

The Company will defer discretionary expenditures, as required, in order to manage and conserve cash required for current liabilities.

The following table shows the Company's contractual obligations as at September 30, 2024:

	Less than 1 year $	1 - 2 years $	2 - 5 years $	Total $
Trade payables and accrued liabilities	4,904,635	-	-	4,904,635
Vehicle financing	34,232	136,929	109,309	280,470
Term Loan	2,088,235	22,448,529	-	24,536,764
Lease liabilities	675,181	-	-	675,181
	7,702,283	**22,585,458**	**109,309**	**30,397,050**

DSUs liability and provision for leave and severance are not presented in the above liquidity analysis as management considers it is not practical to allocate the amounts into maturity groupings.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern, so that adequate funds are available or are scheduled to be raised to meet its ongoing administrative and operating costs and obligations. This is achieved by the Board of Directors' review and ultimate approval of budgets that are achievable within existing resources, and the timely matching and release of the next stage of expenditures with the resources made available from capital raises and debt funding from related or other parties. In doing so, the Company may attempt to issue new shares, restructure or issue new debt. Although the Company has been successful in its past equity capital raises and debt funding, there is no assurance that the Company will be able to continue successfully raising equity capital or debt funding in the same manner in the future.

(Expressed in Canadian dollars)

The Company is not subject to any externally imposed capital requirements by a regulator or a lending institution.

In the management of capital, the Company includes the components of equity and debt (vehicle financing, lease liabilities and the Term Loan), net of cash.

	September 30, 2024 $	December 31, 2023 $
Shareholder's equity	7,718,897	9,745,686
Vehicle financing	280,470	236,124
Lease liabilities	675,181	1,611,143
Term Loan	18,710,277	17,956,423
	27,384,825	29,549,376
Cash and cash equivalents	(17,358,377)	(19,245,628)
	10,026,448	**10,303,748**

15. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being that of the acquisition, exploration and evaluation of mineral properties in three geographic segments, being Botswana, Barbados and Canada. The Company's geographic segments are as follows:

	September 30, 2024 $	December 31, 2023 $
Current assets		
Canada	16,175,522	15,894,177
Barbados	338,247	104,024
Botswana	4,158,740	4,892,707
Total	**20,672,509**	**20,890,908**

	September 30, 2024 $	December 31, 2023 $
Property, plant and equipment		
Canada	7,481	8,726
Botswana	7,756,566	8,479,773
Total	**7,764,047**	**8,488,499**

	September 30, 2024 $	December 31, 2023 $
Exploration and evaluation assets		
Botswana	**8,855,512**	**8,594,798**

(Expressed in Canadian dollars)

16. CONTINGENT LIABILITIES

There are no environmental liabilities associated with the Mines as at the acquisition dates as all liabilities incurred prior to the acquisitions are the responsibility of the sellers, BCL and TNMC, respectively. The Company has an obligation for the rehabilitation costs arising subsequent to the acquisitions. As of September 30, 2024, management is not aware of or anticipating any contingent liabilities that could impact the financial position or performance of the Company related to its exploration and evaluation assets.

The Company's exploration and evaluation assets are affected by the laws and environmental regulations that exist in the various jurisdictions in which the Company operates. It is not possible to estimate the future contingent liabilities and the impact on the Company's operating results due to future changes in the Company's exploration and development of its projects or future changes in such laws and environmental regulations.

17. GENERAL AND ADMINISTRATIVE EXPENSES

Details of the general and administrative expenses are presented in the following table:

	Three months ended		**Nine months ended**	
	September 30, 2024	**September 30, 2023**	**September 30, 2024**	**September 30, 2023**
	$	**$**	**$**	**$**
Advisory and consultancy	74,005	119,072	251,991	705,956
Filing fees	189,783	25,378	460,485	256,929
General office expenses	508,035	413,145	1,232,215	969,768
Insurance	157,781	170,778	486,456	551,791
Investor relations	185,027	137,392	472,244	422,754
Management fee	670,389	865,446	2,239,889	2,496,109
Professional fees	347,303	21,539	962,827	664,228
Salaries and benefits	181,950	183,390	550,975	183,390
Total	**2,314,273**	**1,936,140**	**6,657,082**	**6,250,925**

For the nine months ended September 30, 2024, $2,708,304 of the general and administrative expenses relate to management fees, office costs, insurance fees, consulting fees, and various other overhead expenses at the Mines (YTD 2023 - $2,694,115).

(Expressed in Canadian dollars)

18. SPARE PARTS

Details of the movements in relation to spare parts are presented in the following table:

	Spare Parts $
As at December 31, 2022	-
Additions	212,135
Utilization	-
As at December 31, 2023	212,135
Additions	1,110,663
Utilization	(120,342)
Foreign currency translation	(401)
As at September 30, 2024	**1,202,055**

Spare parts relate to spares for drilling equipment and underground equipment located at the Mines which are critical for the continued operations of the drilling programs in the event that certain components become worn or inoperable. Spare parts are held in reserve at the mine site and consumed when placed into service.

19. SUBSEQUENT EVENTS

On October 17, 2024, the Company announced that it had granted 1,200,000 options to Altitude Capital Partners Inc. ("**Altitude**") in consideration of Altitude's services. The options will have an exercise price of $1.25 per Common Share for a period of five years from the date of grant and vest in equal monthly tranches of 100,000 options, commencing October 15, 2024 until the earlier of September 15, 2025 and the date the engagement is terminated.

On October 29, 2024, the Company's restricted share unit plan (the "**RSU Plan**") was approved by shareholders at its annual general and special shareholders' meeting (the "**AGSM**"). The RSU Plan enables the Company to grant restricted share units ("**RSUs**") to eligible participants upon approval by the Board of Directors.

The maximum number of Common Shares that are issuable under the RSU Plan is 5,000,000 Common Shares, provided that the number of Common Shares issuable under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 20% of the number of Common Shares then issued and outstanding. The number and terms of RSUs awarded will be determined by the Board of Directors from time to time.

At the AGSM, shareholders also ratified and approved the prior grant of 1,000,000 RSUs, which were granted based on a market price of $0.76, on August 22, 2024 to certain eligible participants under the RSU Plan. For US GAAP purposes, the grant date is October 29, 2024, being the date that the RSU Plan was approved by shareholders, with the fair value of the RSUs on October 29, 2024 being approximately $600,000 based on a market price of $0.60. The RSU grants are fixed, not subject to vesting conditions other than service, and vest on a three year schedule from the anniversary of the date of grant, with one-third of the RSU grant vesting on each of the first, second and third anniversaries of the date of grant.