



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2024 AND 2023

TSXV: NGE
OTCQB: NVDEF

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT

	January 31, 2024	April 30, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 69,677	\$ 10,523
Other receivables (Note 3)	4,088	7,924
Prepaid expenses (Note 4)	53,908	28,591
Total current assets	127,673	47,038
Non-current assets		
Equipment and intangible assets (Note 6)	7,577	96,729
Deposits and bonds (Note 8)	85,184	86,179
Total non-current assets	92,761	182,908
Total assets	\$ 220,434	\$ 229,946
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 9)	\$ 349,682	\$ 634,046
Short-term loan payable (Note 5)	100,296	258,464
Total liabilities	449,978	892,510
Equity		
Capital stock (Note 11)	40,278,018	36,460,330
Reserves (Note 11)	2,011,803	4,865,510
Deficit	(42,519,365)	(41,988,404)
Total equity	(229,544)	(662,564)
Total liabilities and equity	\$ 220,434	\$ 229,946

Nature of operations, continuance of operations and going concern (Note 1)

Commitments (Note 7)

Event after the reporting period (Note 15)

Approved and authorized on behalf of the Board on: March 27, 2024

"Benjamin Leboe" Director _____
"Darcy Higgs" Director

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended January 31, 2024	Three months ended January 31, 2023	Nine months ended January 31, 2024	Nine months ended January 31, 2023
EXPENSES				
Amortization (Note 6)	\$ 11,639	\$ 16,706	\$ 44,999	\$ 51,742
Equipment and vehicles	-	1,244	-	13,681
Exploration and evaluation expenditures (Note 7)	8,596	58,959	322,448	1,288,812
Filing fees	11,382	20,536	52,221	59,177
Foreign exchange	1,229	5,325	5,266	11,805
Interest and bank charges	890	3,556	12,071	5,492
Investor relations	-	(49,521)	-	24,685
Office expenses and other	13,870	25,144	70,344	85,033
Professional fees and consultants (Note 5)	71,556	115,939	296,396	295,592
Rent	1,456	46,677	74,221	125,053
Salaries (Note 5)	-	45,858	1,090	202,670
Share-based payments (Note 5 and 11)	(2,251)	31,758	5,071	171,445
Software	-	15,328	10,141	84,239
Travel	-	7,271	6,337	22,668
Total operating expenses	(118,367)	(344,780)	(900,605)	(2,442,094)
OTHER ITEMS				
Consulting income	-	-	-	35,035
Impairment of capital assets (Note 6)	-	-	(43,821)	-
Interest income	234	90	440	135
Proceeds received from royalties (Note 10)	-	-	-	665,683
Gain on disposal of equipment (Note 6)	8,113	-	12,702	-
Loss on sale of short-term investments	-	-	-	(6,400)
Total other items	8,347	90	(30,679)	694,453
Net loss for the period	(110,020)	(344,690)	(931,284)	(1,747,641)
OTHER COMPREHENSIVE LOSS				
Item that may be reclassified to profit or loss:				
Currency translation adjustment	(1,286)	(24,674)	(542)	48,856
Total comprehensive loss for the period	\$ (111,306)	\$ (369,364)	\$ (931,826)	\$ (1,698,785)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.05)	\$ (0.06)	\$ (0.26)
Weighted average number of common shares Outstanding	19,764,867	6,764,865	14,630,808	6,756,821

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NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					Total Equity
	Shares (Note 11)	Amount (Note 11)	Options (Note 11)	Warrants (Note 11)	Currency Translation	Total Reserves	Deficit	
Balance, May 1, 2022	6,744,865	\$ 35,327,467	\$ 2,192,936	\$ 4,200,429	\$ 2,181	\$ 6,395,546	\$ (39,576,021)	\$ 2,146,992
Warrants expired	-	1,058,053	-	(1,058,053)	-	(1,058,053)	-	-
Share-based payments	-	-	171,445	-	-	171,445	-	171,445
Options exercised	20,000	74,810	(24,810)	-	-	(24,810)	-	50,000
Options expired/forfeited	-	-	(679,211)	-	-	(679,211)	679,211	-
Currency translation adjustment	-	-	-	-	48,856	48,856	-	48,856
Net loss for the period	-	-	-	-	-	-	(1,747,641)	(1,747,641)
Balance, January 31, 2023	6,764,865	\$ 36,460,330	\$ 1,660,360	\$ 3,142,376	\$ 51,037	\$ 4,853,773	\$ (40,644,451)	\$ 669,652
Balance, May 1, 2023	6,764,865	\$ 36,460,330	\$ 1,656,042	\$ 3,142,376	\$ 67,092	\$ 4,865,510	\$ (41,988,404)	\$ (662,564)
Private Placement	13,000,000	1,430,000	-	-	-	-	-	1,430,000
Adjustment for share consolidation rounding	12	-	-	-	-	-	-	-
Relative fair value of unit warrants issued	-	(657,614)	-	657,614	-	657,614	-	-
Fair value finders' warrants	-	(26,850)	-	26,850	-	26,850	-	-
Warrants expired	-	3,142,377	-	(3,142,377)	-	(3,142,377)	-	-
Share-based payments	-	-	5,071	-	-	5,071	-	5,071
Share issuance costs (Note 11)	-	(70,225)	-	-	-	-	-	(70,225)
Options forfeited	-	-	(400,323)	-	-	(400,323)	400,323	-
Currency translation adjustment	-	-	-	-	(542)	(542)	-	(542)
Net loss for the period	-	-	-	-	-	-	(931,284)	(931,284)
Balance, January 31, 2024	19,764,877	\$ 40,278,018	\$ 1,260,790	\$ 684,463	\$ 66,550	\$ 2,011,803	\$ (42,519,365)	\$ (229,544)

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2024	Nine months ended January 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (931,284)	\$ (1,747,641)
Items not affecting cash:		
Amortization	44,999	51,742
Share-based payments	5,071	171,445
Loan interest	296	2,768
(Gain)/loss on sale of short-term investments	-	6,400
Impairment of capital assets	43,821	-
Changes in non-cash working capital items:		
Accounts receivable	3,836	7,950
Prepaid expenses	(25,317)	67,554
Accounts payable and accrued liabilities	(284,364)	708,645
Net cash used in operating activities	<u>(1,142,942)</u>	<u>(731,137)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of short-term investments	-	18,600
Net cash provided by investing activities	<u>-</u>	<u>18,600</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share issuance costs	(70,225)	-
Short-term loan proceeds (repayments)	(158,464)	150,000
Proceeds from private placement	1,430,000	-
Proceeds from options exercised	-	50,000
Net cash provided by financing activities	<u>1,201,311</u>	<u>200,000</u>
Effect of foreign exchange	<u>785</u>	<u>35,243</u>
Change in cash and cash equivalents for the period	59,154	(477,294)
Cash and equivalents, beginning of period	<u>10,523</u>	<u>501,371</u>
Cash and equivalents, end of period	<u>\$ 69,677</u>	<u>\$ 24,077</u>

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

NEVADA EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2024

1. NATURE OF OPERATIONS, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the “Company” or “NGE”) was incorporated on April 6, 2006 under the Canada Business Corporations Act and on February 5, 2015 the Company was incorporated pursuant to the British Columbia Business Corporation Act. The Company is in the business of acquiring and exploring mineral properties.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NGE” and on the OTCQB marketplace under the trading symbol “NVDEF”. The Company’s head office is located at Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company’s registered and records office is located at 700 West Georgia St., 25th Floor, Vancouver, BC V7Y 1B3.

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on March 27, 2024.

Continuance of operations and going concern

These condensed consolidated interim financial statements have been prepared on a going-concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically and recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The Company has not produced revenues from its exploration activities and does not have a regular source of cash flow. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. The Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards (“IFRS”) for complete financial statements for year-end reporting purposes. These condensed consolidated interim financial statements should be read in conjunction with the Company’s financial statements for the year ended April 30, 2023, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual audited consolidated financial statements as at and for the year ended April 30, 2023 as filed on SEDAR at www.sedar.com.

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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3. OTHER RECEIVABLES

The accounts receivable for the Company are as follows:

	January 31, 2024	April 30, 2023
GST receivable	\$ 4,088	\$ 7,924

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	January 31, 2024	April 30, 2023
Security deposit for rental of premises	\$ 32,658	\$ 28,591
Other prepaid expenses	21,250	-
	\$ 53,908	\$ 28,591

5. RELATED PARTY TRANSACTIONS

During the period ended January 31, 2024, the Company:

- i) paid or accrued \$67,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$45,000 in consulting fees to a consultant related to a director.
- iii) recorded share-based payments of \$5,071 related to the fair value of stock options vesting through the period to directors of the Company.
- iv) Received a \$100,000 short-term loan from a consultant related to a director. The loan has a term of six months, is unsecured, and accrues interest at a rate of 12% per annum. At January 31, 2024, the Company accrued \$296 in interest related to the loan.
- v) Austin American Corporation is a company with a common director (see Note 7).

During the period ended January 31, 2023, the Company:

- i) paid or accrued \$67,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$90,000 in consulting fees to a director and a company controlled by a director.
- iii) recorded share-based payments of \$100,620 related to the fair value of stock options vesting through the period to officers, directors, and a company controlled by a director.
- iv) received a total of \$150,000 in loans at varying dates from a consultant related to a director. Each loan has a term of six months and accrues interest at a rate of 12% per annum.

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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January 31, 2024

5. RELATED PARTY TRANSACTIONS (cont'd...)

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

	January 31, 2024	April 30, 2023
Due to a corporation of which the Chief Financial Officer is an employee	\$ 39,375	\$ 70,875
Due to current and former key management	97,650	219,652
Due to a consultant related to a director	31,500	118,000
	<u>\$ 168,525</u>	<u>\$ 408,527</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President and Chief Executive Officer.

Remuneration of key management of the Company is as follows:

	Nine Months Ended January 31, 2024	Nine Months Ended January 31, 2023
Salaries and Consulting	\$ 150,000	\$ 207,413
Share-based payments	-	28,455
	<u>\$ 150,000</u>	<u>\$ 235,868</u>

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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6. EQUIPMENT AND INTANGIBLE ASSETS

	Vehicles	Exploration Equipment	Software	Total
Cost				
Balance – April 30, 2022	\$ 62,269	\$ 241,160	\$ 60,000	\$ 363,429
Effect of translation	6,004	14,818	-	20,822
Balance – April 30, 2023	\$ 68,273	\$ 255,978	\$ 60,000	\$ 384,251
Disposals	-	(4,589)	-	(4,589)
Impairment	-	(97,730)	-	(97,730)
Effect of translation	1,473	506	-	1,979
Balance – January 31, 2024	\$ 69,746	\$ 154,165	\$ 60,000	\$ 283,911
Accumulated amortization				
Balance – April 30, 2022	\$ 62,269	\$ 118,437	\$ 24,000	\$ 204,706
Amortization	-	48,205	20,000	68,205
Effect of translation	6,004	8,607	-	14,611
Balance – April 30, 2023	\$ 68,273	\$ 175,249	\$ 44,000	\$ 287,522
Amortization	-	29,999	15,000	44,999
Disposals	-	(4,589)	-	(4,589)
Impairment	-	(53,909)	-	(53,909)
Effect of translation	1,473	838	-	2,311
Balance – January 31, 2024	\$ 69,746	\$ 147,588	\$ 59,000	\$ 276,334
Carrying amounts				
As at April 30, 2023	\$ -	\$ 80,729	\$ 16,000	\$ 96,729
As at January 31, 2024	\$ -	\$ 6,577	\$ 1,000	\$ 7,577

During the period ended January 31, 2024, the Company sold some exploration equipment, resulting in a gain of \$12,702. Additionally, during the period ended January 31, 2024, the Company vacated its Sparks, Nevada warehouse facility, and as a result, impaired certain exploration equipment which was no longer in use. This resulted in an impairment charge of \$43,821.

7. RESOURCE PROPERTIES

Resource properties expenditures for the period ended January 31,	2024	2023
South Grass Valley	\$ 190,949	\$ 974,200
Grass Valley	-	98,497
Kelly Creek	97,881	935
Awakening	11,057	112,357
Other	22,561	102,823
	<u>\$ 322,448</u>	<u>\$ 1,288,812</u>

South Grass Valley (SGV)

As at January 31, 2024, the Company's South Grass Valley Project consists of unpatented mining claims held directly by the Company.

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2024

7. RESOURCE PROPERTIES (cont'd...)**North Grass Valley Project (NGV)**

As at January 31, 2024, the Company's North Grass Valley Project (formerly referred to as "Grass Valley") consists of unpatented mining claims held directly by the Company. On August 16, 2023, the Company decided to relinquish the North Grass Valley claims.

Kelly Creek (KC)

The Company has combined its former Hot Pot Project into its Kelly Creek Project, the combination of which is now together referred to as the Kelly Creek Project.

As of January 31, 2024, the Company's Kelly Creek Project consists of:

- unpatented mining claims held directly by the Company;
- unpatented mining claims leased by the Company from Genesis Gold Corporation ("Genesis") (Genesis subsequently sold their royalty to Metalla America Ltd. ("Metalla")) through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement"); and
- private land leased by the Company under a Mining Lease Agreement (the "Hot Pot Lease").

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on December 29, 2014, August 25, 2015 and July 25, 2019, to acquire a 100% interest in the Genesis' Hot Pot claims. Under the Genesis Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (issued) and USD\$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments :

1 st anniversary (October 1, 2010)	\$	5,000 USD (paid)
2 nd anniversary (October 1, 2011)	\$	10,000 USD (paid)
3 rd anniversary (October 1, 2012)	\$	10,000 USD (paid)
4 th anniversary (October 1, 2013)	\$	10,000 USD (paid)
5 th to 8 th anniversary (October 1, 2014 to October 1, 2017)	\$	10,000 USD ^{i) & ii)}
9 th anniversary (October 1, 2018)	\$	50,000 USD (paid)
10 th anniversary (October 1, 2019)		Nil ⁱⁱⁱ⁾
11 th to 13 th anniversaries (October 1, 2020 – October 1, 2022)	\$	20,000 USD ⁱⁱⁱ⁾ (paid by Austin as detailed below)
14 th anniversary (October 1, 2023)	\$	15,000 USD ^{iv)} (paid subsequent to the quarter)
15 th and subsequent anniversaries (October 1 st annually)	\$	50,000 USD (as adjusted for inflation)

- i) During the year ended April 30, 2015, the Company issued 80,000 Common shares, plus agreed to pay \$10,000 USD to satisfy the October 1, 2014 payment (paid).
- ii) On August 25, 2015, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015 (paid); October 1, 2016 (paid); and October 1, 2017 (paid), from \$50,000 USD to \$10,000 USD, subject to each party's rights under the Genesis Agreement.

7. RESOURCE PROPERTIES (cont'd...)

Kelly Creek (KC) (cont'd...)

- iii) On July 25, 2019, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payment due on October 1, 2019 from \$50,000 USD to \$Nil. Additionally, the annual payments due October 1, 2020 to October 1, 2022 have been reduced from \$50,000 USD to \$20,000 USD, whereby the Company may elect to deliver up to half of this payment in common shares of the Company. The payments due October 1, 2020, October 1, 2021 and October 1, 2022 were paid by Austin.
- iv) During the period ended January 31, 2024, the Company and Metalla agreed to an amendment of the Genesis Agreement to reduce the annual payment due on October 1, 2023 from \$50,000 USD to \$15,000 USD. This was paid subsequent to the end of the period.

The Company entered into the Hot Pot Lease on September 16, 2004, for an initial term of 10 years, as amended on May 29, 2009, September 2, 2011, February 25, 2016, February 16, 2017, and June 8, 2020. Any mineral production on the project is subject to a 3% Net Smelter Return Royalty (the “NSR”) to the property owner, subject to the Company’s right to reduce the Royalty from 3% to 2% for \$2,000,000 USD. Under the February 25, 2016, amendment, the term of the Hot Pot Lease was extended to 20 years, until September 16, 2024. Under the February 16, 2017, amendment, additional lands were added to the Hot Pot Lease, subject to the following payments:

Amendment Date (February 16, 2017)	\$	5,000 USD (paid)
September 16, 2017	\$	25,000 USD (paid)
October 8, 2018	\$	30,000 USD (paid)
September 16, 2019	\$	30,000 USD (paid)
September 16, 2020	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2021	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2022	\$	30,000 USD (paid by Austin as detailed below)
September 16, 2023	\$	30,000 USD (paid by Austin as detailed below)
Subsequent Anniversaries (September 16 th annually)	\$	30,000 USD

On July 8, 2020, as amended March 3, 2021, and May 3, 2023, the Company entered into an Exploration and Option to Enter Joint Venture Agreement (the “Agreement”) with Austin American Corporation (“Austin”), for an earn in and joint venture agreement on its district-scale Kelly Creek Project (the “Project”) within the Kelly Creek Basin in north-central Nevada. Pursuant to the original agreement, Austin has the right to earn a 51% interest in the joint venture by spending \$5,000,000 by June 1, 2024, with the election to earn an additional 19% by incurring additional yearly expenditures in the amount of \$1,500,000 on or before each of June 1, 2025, June 1, 2026, and June 1, 2027, and by completing a pre-feasibility study on or before June 1, 2028. At the Company’s election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Austin will be obligated to provide the Company’s portion of any debt financing or arrange for third party financing of the Company’s portion of any debt financing required to construct a mine on the project described in a feasibility study in consideration for the transfer by the Company to Austin of a 5-per-cent interest in the joint venture. If a party is diluted to a 10% interest in the joint venture, its interest will be converted to a 10% net profits interest.

Pursuant to the March 3, 2021, amended agreement, Austin has the right to earn a 51% interest by spending \$4,750,000 by June 1, 2025, with the election to earn an additional 19% to a total of 70% by incurring additional yearly expenditures in the amount of \$1,500,000 on or before each of June 1, 2026, June 1, 2027, and June 1, 2028, and by completing a pre-feasibility study on or before June 1, 2029.

Pursuant to the May 3, 2023, amended agreement, Austin has the right to earn a 51% interest by spending \$2,500,000 by June 30, 2025, with the election to earn an additional 19% to a total of 70% by incurring additional expenditures of \$2,500,000 at any time. The Company no longer has the option to require Austin to provide its portion of any debt financing required to construct a mine.

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars)

January 31, 2024

7. RESOURCE PROPERTIES (cont'd...)

Austin must continue to pay the underlying property lease payments and BLM and county fees to keep the properties in good standing during the term of the agreement.

During the period ended January 31, 2024, Austin terminated certain leases and claim holdings within the Kelly Creek project, representing approximately 60% of the original claim holdings.

The majority of the Company's mineral interests at Kelly Creek are subject to a 1.25% NSR to Royal Gold, Inc.

Awakening (AW)

As at January 31, 2024, the Company's Awakening Project consists of unpatented mining claims held directly by the Company.

8. DEPOSITS AND BONDS

	January 31, 2024	April 30, 2023
Security deposits ⁽¹⁾	\$ 11,500	\$ 11,500
Reclamation bond deposits ⁽²⁾	73,684	74,679
	<u>\$ 85,184</u>	<u>\$ 86,179</u>

⁽¹⁾ Security deposits consist of an \$11,500 guaranteed investment certificate ("GIC") and bearing interest at prime less 2% to a minimum of 0%. The GIC was used to secure the credit limit on a credit card.

⁽²⁾ Reclamation bond deposits are required by the U.S. Bureau of Land Management ("BLM") to ensure that any reclamation and clean-up work required on the Company's properties will be completed to the satisfaction of the BLM.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	January 31, 2024	April 30, 2023
Trade payables	\$ 147,144	\$ 191,735
Due to related parties (Note 5)	168,525	408,527
Accrued liabilities	34,013	33,784
Total	<u>\$ 349,682</u>	<u>\$ 634,046</u>

NEVADA EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2024

10. ROYALTIES

On September 1, 2022, Pediment Gold LLC (“Pediment”), a wholly owned subsidiary of the Company signed Royalty Agreements (collectively the “Royalty Agreements”) with Bronco Creek Exploration Inc, a wholly owned subsidiary of EMX Royalty Corporation (“EMX”).

Under the terms of the Royalty Agreements:

- i. Pediment will sell a 2% net smelter return royalty (“NSR”) covering its current portfolio of Nevada gold projects (the “Royalty”) to EMX for a purchase price of \$500,000 USD. The Kelly Creek NSR is effective if Austin does not exercise its option to earn in and joint venture the property and is subject to any third party right of first refusal that may exist.
- ii. Pediment has the right to buy back half of EMX’s 2% NSR by purchasing a 0.5% NSR interest for \$1,000,000 USD any time prior to the 7th anniversary of the Agreement and then, if the first NSR interest is purchased, purchasing the second 0.5% NSR interest any time prior to production for \$1,500,000 USD.
- iii. In the case that Pediment options, farms out, or sells a project subject to the Royalty to a third party, Pediment shall be required to pay EMX annual advance royalties as follows: \$20,000 USD on the first anniversary, \$30,000 USD on the second anniversary, \$40,000 USD on the third anniversary, and \$50,000 USD on the fourth and subsequent anniversaries.
- iv. Subject to complying with notice provisions in the Royalty Agreements, Pediment may abandon claims and such abandonment will not require payment of advance royalties.

11. CAPITAL STOCK

a) Authorized share capital:

As at January 31, 2024, the authorized share capital of the Company was:

Unlimited number of common shares without par value;
Unlimited number of preferred shares without par value; and
All issued shares are fully paid.

b) Issued share capital:

During the period ended January 31, 2024, the Company:

- Completed a private placement on August 16, 2023 of 13,000,000 units at a price of \$0.11 for total gross proceeds of \$1,430,000. Each unit consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.20 per share for 36 months. If, after four months plus one day from the closing date, the closing price (or closing bid price on days when there are no trades) of the Company's common shares is greater than \$0.40 per share for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which it gives notice to the warrant holders of such acceleration, with such notice being the issuance of a news release by the Company announcing the acceleration of the expiry date. The securities issued at closing of the private placement were subject to a four month plus one day hold period, which expired on December 17, 2023.

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11. CAPITAL STOCK (cont'd...)

b) Issued share capital (cont'd...)

- In connection with the private placement closed on August 16, 2023, the Company paid finders' fees totaling, \$20,405 in cash and 185,500 finder's warrants. The finders' warrants have an exercise price of \$0.20 per common share for 36 months and were subject to a four month plus one day hold period, which expired on December 17, 2023. If, after four months plus one day from the closing date, the closing price (or closing bid price on days when there are no trades) of the Company's common shares is greater than \$0.40 per share for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which it gives notice to the warrant holders of such acceleration, with such notice being the issuance of a news release by the Company announcing the acceleration of the expiry date. The finders' warrants granted were estimated to have a fair value of \$26,850 and were accounted for as a share issuance cost.

During the year ended April 30, 2023, the Company:

- Issued 20,000 common shares upon the exercise of stock options. The price of the shares on the date of exercise was \$1.25.
- Completed a consolidation of its common shares on the basis of one (1) post consolidation common share for every twenty-five (25) pre-consolidation shares, effective February 15, 2023. All common shares, units, warrants, stock options, and per share amounts have been restated to reflect the share consolidation and per share amounts have been restated to reflect the share consolidation.

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

In the absence of a reliable measurement of the services received from the consultants, the following stock option grants have been measured at the fair value of the stock options issued.

During the period ended January 31, 2024, 84,400 stock options were forfeited.

During the year ended April 30, 2023:

- 20,000 stock options were exercised.
- 140,740 stock options were forfeited.

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11. CAPITAL STOCK (cont'd...)

c) Options (cont'd...)

A Continuity of share purchase options for the period January 31, 2024 is as follows:

Expiry date	Exercise price	April 30, 2023	Granted	Exercised	Expired/ Forfeited/	January 31, 2024	Exercisable	
August 3, 2026	11.75	37,000	-	-	(10,000)	27,000	27,000	
March 11, 2027	2.50	60,000	-	-	-	60,000	60,000	
November 27, 2027	10.00	14,000	-	-	-	14,000	14,000	
October 1, 2028	6.50	51,000	-	-	(18,000)	33,000	33,000	
October 26, 2028	8.75	6,000	-	-	-	6,000	6,000	
February 21, 2029	7.50	10,000	-	-	-	10,000	10,000	
May 30, 2029	5.75	2,000	-	-	-	2,000	2,000	
October 31, 2029	4.50	8,000	-	-	-	8,000	8,000	
October 20, 2030	4.63	37,000	-	-	(12,000)	25,000	25,000	
December 23, 2030	3.25	10,000	-	-	-	10,000	10,000	
March 31, 2031	4.50	78,680	-	-	(26,400)	52,280	52,280	
December 9, 2031	2.50	42,000	-	-	(18,000)	24,000	24,000	
Total		355,680	-	-	(84,400)	271,280	271,280	
Weighted average exercise price	\$	5.32	\$	-	\$	5.31	\$	5.31

A Continuity of share purchase options for the year ended April 30, 2023 is as follows:

Expiry date	Exercise price	April 30, 2022	Granted	Exercised	Expired/ Forfeited/	April 30, 2023	Exercisable	
August 3, 2026	11.75	50,000	-	-	(13,000)	37,000	37,000	
March 11, 2027	2.50	80,000	-	(20,000)	-	60,000	60,000	
November 27, 2027	10.00	14,000	-	-	-	14,000	14,000	
October 1, 2028	6.50	85,000	-	-	(34,000)	51,000	51,000	
October 26, 2028	8.75	6,000	-	-	-	6,000	6,000	
February 21, 2029	7.50	10,000	-	-	-	10,000	10,000	
May 30, 2029	5.75	2,000	-	-	-	2,000	2,000	
October 31, 2029	4.50	8,000	-	-	-	8,000	8,000	
October 20, 2030	4.63	61,000	-	-	(24,000)	37,000	37,000	
December 23, 2030	3.25	10,000	-	-	-	10,000	10,000	
March 31, 2031	4.50	138,420	-	-	(59,740)	78,680	55,120	
June 7, 2031	4.50	10,000	-	-	(10,000)	-	-	
December 9, 2031	2.50	42,000	-	-	-	42,000	28,000	
Total		516,420	-	(20,000)	(140,740)	355,680	318,120	
Weighted average exercise price	\$	5.31	\$	-	\$	5.32	\$	5.51

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11. CAPITAL STOCK (cont'd...)

d) Warrants

During the period ended January 31, 2024:

- 2,645,289 warrants expired without exercise;
- 13,185,500 warrants were issued in connection with the private placement (Note 11(b)).

During the year ended April 30, 2023, 411,666 warrants expired without exercise.

A continuity of share purchase warrants for the period ended January 31, 2024 is as follows:

Expiry date	Exercise Price	April 30, 2023	Issued	Exercised	Expired	January 31, 2024	Exercisable
June 23, 2023	4.50	1,106,821	-	-	(1,106,821)	-	-
December 16, 2023	3.25	76,929	-	-	(76,929)	-	-
December 16, 2023	5.00	1,461,539	-	-	(1,461,539)	-	-
August 17, 2026	0.20	-	13,185,500	-	-	13,185,500	13,185,500
Total		2,645,289	13,185,500	-	(2,645,289)	13,185,500	13,185,500
Weighted average exercise price		\$ 4.74	\$ 0.20	\$ -	\$ 4.74	\$ 0.20	\$ 0.20

A continuity of share purchase warrants for the year ended April 30, 2023 is as follows:

Expiry date	Exercise Price	April 30, 2022	Issued	Exercised	Expired	April 30, 2023	Exercisable
July 13, 2022 ^a	11.25	52,640	-	-	(52,640)	-	-
October 9, 2022 ^b	12.50	155,053	-	-	(155,053)	-	-
June 4, 2022	12.50	116,833	-	-	(116,833)	-	-
July 1, 2022	12.50	37,140	-	-	(37,140)	-	-
January 7, 2023	12.50	50,000	-	-	(50,000)	-	-
June 23, 2023	4.50	1,106,821	-	-	-	1,106,821	1,106,821
December 16, 2023	3.25	76,929	-	-	-	76,929	76,929
December 16, 2023	5.00	1,461,539	-	-	-	1,461,539	1,461,539
Total		3,056,955	-	-	(411,666)	2,645,289	2,645,289
Weighted average exercise price		\$ 5.76	\$ -	\$ -	\$ 12.34	\$ 4.74	\$ 4.74

- a) On July 15, 2021, the Company received TSX Venture Exchange acceptance to extend the expiry date of 52,640 warrants to July 13, 2022 from July 13, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 0.995 years, expected volatility of 89.32%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$31,380 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.
- b) On July 15, 2021 the Company received TSX Venture Exchange acceptance to extend the expiry date of 155,053 warrants to October 9, 2022 from October 9, 2021. As a result of this extension, the warrants were revalued using the Black-Scholes option pricing model based on the following assumptions: expected life of 1.24 years, expected volatility of 89.68%, risk-free interest rate of 0.44%, and expected dividend of \$Nil. The difference of \$117,144 between the value of the warrants based on their original remaining life and the value of the extended warrants was charged to share capital.

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12. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	January 31, 2024	April 30, 2023
Current assets:		
United States	\$ 36,366	\$ 31,673
Canada	91,307	15,365
	<u>\$ 127,673</u>	<u>\$ 47,038</u>
Non-current assets:		
United States		
Equipment and intangible assets	\$ 6,577	\$ 80,729
Deposits and bonds	73,684	74,679
Canada		
Equipment and intangible assets	1,000	11,500
Deposits and bonds	11,500	16,000
	<u>\$ 92,761</u>	<u>\$ 182,908</u>

13. FINANCIAL RISK MANAGEMENT

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short-term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash and cash equivalents, other receivables, deposits and bonds, finance lease obligations, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and deposits and bonds. Management believes that the credit risk concentration with respect to cash and cash equivalents, deposits and bonds is remote as it maintains accounts with highly rated financial institutions.

13. FINANCIAL RISK MANAGEMENT (cont'd)

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 manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at January 31, 2024, the Company had a cash and cash equivalent balance of \$69,677 (April 30, 2023 - \$10,523) to settle current liabilities of \$449,978 (April 30, 2023 - \$892,510). The Company will need to raise additional funds to meet its obligations as they come due (Note 15).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents, deposits and bonds and on the Company's finance lease obligations are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Net assets denominated in foreign currency and the Canadian dollar equivalents as at January 31, 2024 are as follows:

	USD	CDN
Current assets	\$ 27,144	\$ 36,366
Non-current assets	59,909	80,261
Current liabilities	(91,964)	(123,204)
	\$ (4,911)	\$ (6,577)

Based on the above net exposures as at January 31, 2024, and assuming all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of \$658 in comprehensive loss.

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14. CAPITAL MANAGEMENT

In order to maintain its capital structure, the Company is dependent on equity funding and, when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and share purchase warrants, as well as incentive stock options. In the management of capital, the Company includes the components of equity as well as cash and cash equivalents.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended January 31, 2024.

15. EVENT AFTER THE REPORTING PERIOD

On March 19, 2024, the Company announced that it completed a non-brokered private placement offering (the "Offering"), pursuant to which it issued 5,500,000 units (the "Units") at a price of \$0.11 per Unit, for gross proceeds of \$605,000.

Each Unit consists of one common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"), with each Warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of C\$0.20 per Common Share for 36 months after the date of issuance (the "Closing Date"). If after four months plus one day from the Closing Date the closing price (or closing bid price on days when there are no trades) of NGE's common shares is greater than C\$0.40 per share for 10 consecutive trading days, NGE may accelerate the expiry date of the Warrants to the 30th day after the date on which NGE gives notice to the Warrant holders of such acceleration, with such notice being the issuance of a news release by the Company announcing the acceleration of the expiry date. All securities issued are subject to a four month plus one day hold period expiring July 20, 2024, as well as to any other resale restrictions imposed by applicable securities regulatory authorities.

In connection with the Offering, the Company paid finder's' fees totaling \$12,449 in finder's fees.