

# NORTH PEAK RESOURCES

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## **NORTH PEAK RESOURCES LTD.**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024, AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

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# NORTH PEAK RESOURCES

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited condensed interim consolidated financial statements of North Peak Resources Ltd. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

**NORTH PEAK RESOURCES LTD.****Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)**

<b>As at</b>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 3,559,374	\$ 5,304,713
Investment	100,000	100,000
Prepaid and sundry receivable	189,568	160,239
	<b>\$ 3,848,941</b>	<b>\$ 5,564,952</b>
<b>Equipment</b>	<b>157,049</b>	<b>181,611</b>
<b>Right-of-use assets</b> (note 5)	<b>47,194</b>	<b>73,669</b>
<b>Exploration and evaluation assets</b> (notes 4 and 11)	<b>8,339,169</b>	<b>8,339,169</b>
<b>Total assets</b>	<b>\$ 12,392,353</b>	<b>\$ 14,159,401</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 150,378	\$ 485,847
Current portion of lease liability (note 6)	45,732	50,886
	<b>\$ 196,110</b>	<b>\$ 536,733</b>
<b>Non-current portion of lease liability</b> (note 6)	<b>7,449</b>	<b>28,053</b>
<b>Total liabilities</b>	<b>\$ 203,559</b>	<b>\$ 564,786</b>
<b>Shareholders' equity</b>		
Share capital (note 7)	38,255,071	38,182,019
Shares to be issued	-	40,355
Contributed surplus (notes 8 and 9)	15,389,385	15,414,473
Deficit	(41,464,763)	(40,042,232)
<b>Total shareholders' equity</b>	<b>12,188,793</b>	<b>13,594,615</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 12,392,353</b>	<b>\$ 14,159,401</b>

Subsequent Events (Note 15)

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

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**NORTH PEAK RESOURCES LTD.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Expenses (income)</b>				
Contractor fees	\$ 10,263	\$ 5,708	\$ 20,341	\$ 11,332
Travel	7,085	82,841	41,641	174,399
General and administration	185,105	308,036	407,743	548,141
Professional fees	50,887	92,055	111,931	147,439
Marketing	9,000	6,140	9,000	6,140
Exploration and evaluation expenses	444,433	519,958	929,541	631,942
Share-based compensation	9,157	270,465	18,314	288,223
Interest income	(51,591)	(90,140)	(115,980)	(173,463)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (664,339)</b>	<b>\$ (1,195,063)</b>	<b>\$ (1,422,531)</b>	<b>\$ (1,634,153)</b>
<b>Basic and diluted net loss per share</b>	<b>\$ (0.02)</b>	<b>\$ (0.05)</b>	<b>\$ (0.05)</b>	<b>\$ (0.07)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>	<b>30,157,178</b>	<b>23,554,681</b>	<b>30,152,645</b>	<b>23,066,915</b>

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

**NORTH PEAK RESOURCES LTD.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital Number	Share Capital Amount	Shares to be Issued	Contributed Surplus	Deficit	Total
Balance, December 31, 2022,	22,584,451	\$ 28,782,135	\$ -	\$ 14,142,910	\$ (34,653,350)	\$ 8,271,695
Issued on private placement	2,272,727	2,000,000	-	-	-	2,000,000
Costs of issue	-	(107,571)	-	-	-	(107,571)
Issued on exercise of stock options	75,000	78,405	-	(37,155)	-	41,250
Share-based compensation	-	-	-	288,223	-	288,223
Net loss for the period	-	-	-	-	(1,634,152)	(1,634,152)
<b>Balance, June 30, 2023</b>	<b>24,932,178</b>	<b>30,752,969</b>	<b>-</b>	<b>14,393,978</b>	<b>(36,287,502)</b>	<b>8,859,445</b>
Balance, December 31, 2023,	30,132,178	38,182,019	40,355	15,414,473	(40,042,232)	13,594,615
Shares to be issued	-	-	(40,355)	-	-	(40,355)
Issued on exercise of stock options	25,000	73,052	-	(34,302)	-	38,750
Share-based compensation	-	-	-	18,314	-	18,314
Net loss for the period	-	-	-	-	(1,422,531)	(1,422,531)
<b>Balance, June 30, 2024</b>	<b>30,157,178</b>	<b>\$ 38,255,071</b>	<b>\$ -</b>	<b>\$ 15,389,485</b>	<b>\$ (41,464,763)</b>	<b>\$ 12,188,793</b>

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

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**NORTH PEAK RESOURCES LTD.****Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

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<b>For the Six Months Ended June 30,</b>	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Net loss for the period	\$ (1,422,531)	\$ (1,634,152)
Share-based compensation (note 9)	18,314	288,223
Depreciation of right-of-use assets	26,475	28,158
Depreciation of equipment	24,561	-
Accretion of lease liability	8,474	1,852
Non-cash working capital items:		
Prepaid and sundry receivable	(29,329)	(81,607)
Accounts payable and accrued liabilities	(380,976)	22,272
	<b>(1,755,011)</b>	<b>(1,375,254)</b>
<b>Financing activities</b>		
Private placement, net of fees	-	1,892,429
Proceeds received on exercise of options	38,750	41,250
Repayment of lease obligations	(29,078)	(30,926)
	<b>9,672</b>	<b>1,902,753</b>
<b>(Decrease) increase in cash during the period</b>	<b>(1,745,339)</b>	<b>527,499</b>
<b>Cash, beginning of the period</b>	<b>5,304,713</b>	<b>8,087,936</b>
<b>Cash, end of the period</b>	<b>\$ 3,559,374</b>	<b>\$ 8,615,435</b>

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

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# NORTH PEAK RESOURCES LTD.

## Notes to Condensed Interim Consolidated Financial Statements For the Six Months Ended June 30, 2024, and 2023 (Expressed in Canadian Dollars) (Unaudited)

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### 1. Nature of Operations

North Peak Resources Ltd. (“North Peak” of the “Company”) was incorporated and organized on March 28, 2011, under the laws of Alberta, Canada. The Company is a Canadian based gold exploration and development company listed on the TSX Venture Exchange (the “**Exchange**”) under the symbol “NPR”.

The Company is currently focused on exploring and developing the recently acquired Prospect Mountain Property (“**Prospect Mountain Property**”) in Eureka, Nevada, of which the Company holds an initial 80% interest in the project.

The Company also holds an option to acquire 100% interest in the Kenogami Lake project (the “**Kenogami Option**”), which is also a gold exploration property and is located 15 kilometres southwest of Kirkland Lake, Ontario consisting of twenty-seven mineral claims totaling approximately 500 hectares (the “**Kenogami Property**”).

The registered office of the Company is located at 1600, 421 - 7 Avenue SW, Calgary, Alberta T2P 4K9.

### 2. Basis of Preparation and Measurement

These unaudited condensed consolidated interim financial statements (“**Interim Financial Statements**”) have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”). They do not include all of the information and footnotes required by IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IFRS**”) for full annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements as at and for the years ended December 31, 2023 and 2022 (“**Annual Financial Statements**”). The accounting policies applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in the Annual Financial Statements except as disclosed below related to new accounting standards.

These Interim Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information. These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. References to “US\$” are for United States Dollars. Certain prior period amounts have been reclassified to conform to the presentation in the current period.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 27, 2024.

#### **Basis of Consolidation**

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary North Peak (Nevada) Ltd. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

#### **Adoption of new accounting standards**

IAS 1, Presentation of Financial Statements (“**IAS 1**”): In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Effective January 1, 2024, the Company adopted these amendments, which did not have a material effect on its Interim Financial Statements.

# NORTH PEAK RESOURCES LTD.

## Accounting standards issued but not yet adopted

IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”): In April 2024, the IASB issued IFRS 18, which will replace IAS 1. IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 will require defined categories and subtotals in the statement of profit or loss, require disclosure about management-defined performance measures, and adds new principles for aggregation and disaggregation of information. The Company is assessing the impact of this standard on its disclosures.

## 3. Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company’s interim results are not necessarily indicative of its results for a full year. The significant accounting policy judgments and areas of estimation uncertainty that applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 2 of the Annual Financial Statements.

## 4. Exploration and Evaluation Assets

	Six Months Ended June 30, 2024	Year Ended December 31, 2023
<u>The Prospect Mountain Property, Nevada, USA</u>		
Balance, beginning of period	\$ 8,244,169	\$ -
Acquisition costs	-	8,244,169
Balance, end of period	\$ 8,244,169	\$ 8,244,169
<u>The Kenogami Property, Ontario, Canada</u>		
Balance, beginning and end of period	\$ 95,000	\$ 95,000
<b>Total exploration and evaluation assets, end of period</b>	<b>\$ 8,339,169</b>	<b>\$ 8,339,169</b>

Please see note 5 of the Company's audited consolidated financial statements for the year ended December 31, 2023, for further information on the Company's exploration and evaluation assets.

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# NORTH PEAK RESOURCES LTD.

## Notes to Condensed Interim Consolidated Financial Statements For the Six Months Ended June 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

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### 4. Exploration and Evaluation Assets (Continued)

#### The Prospect Mountain Property, Nevada, USA

In May 2023, (i) the Company entered into an agreement to acquire the Prospect Mountain Property from Solarljøs LLC (“**Solarljøs**”) and Gullsil LLC of Nevada (each controlled by the Erickson family of Nevada) (the “**Acquisition**”), and (ii) the Exchange approved the Acquisition. The mining claims and rights that constitute Prospect Mountain have been transferred into a Nevada LLC, named North Peak Gold LLC. The Company now holds the 80% Initial Interest in North Peak Gold LLC and Solarljøs holds the remaining 20% interest. Solarljøs is not required to contribute any funds or assume any liabilities for the benefit of North Peak Gold LLC or in connection with exploration and operations at the Prospect Mountain Property on account of its 20% interest.

In connection with the Acquisition, (i) on August 22, 2023 the Company issued 5,000,000 common shares (“**Common Shares**”) to Solarljøs, (ii) effective August 25, 2023, Ty Erickson was appointed to the Board of Directors of the Company, and (iii) on November 17, 2023 the Company issued 340,000 Common Share purchase warrants with an exercise price of \$1.34 per share and a five-year term, to those persons designated by Solarljøs.

The Company has the right to acquire the remaining 20% interest held by Solarljøs (the “**Right**”) by issuing an additional 3,000,000 Common Shares to Solarljøs. The Company has until mid-November 2026 to exercise the Right. However, if the Company decides not to exercise the Right within this time period, then the 80% Initial Interest is to be transferred to Solarljøs, who will then return to the Company the 5,000,000 Common Shares that have been issued to it.

Other material terms of the Acquisition include:

- the Company has undertaken to complete a minimum three-year exploration program at the Prospect Mountain Property where expenditures will total no less than US\$1 million per year;
- the Company is to make cash payments of US\$385,000 in total per year, for each of the first three years following completion of the Acquisition (the Company made the initial US\$385,000 (\$521,637) payment in 2023, and the second payment subsequent to quarter end).
- Solarljøs has been granted a 1% NSR royalty on any mineral production from the Prospect Mountain Property;

#### The Kenogami Property, Ontario, Canada

The Company acquired the Kenogami Option in connection with the Company’s change of business transaction to become a mining issuer (the “**COB Transaction**”), which was completed on June 26, 2020. The terms of the Kenogami Option require the Company to make an initial cash payment of \$35,000 (paid), and the Company has completed the following other conditions to exercise: (1) issued 25,000 Common Shares (post-consolidation) effective upon issuance of the 43-101 technical report on the Kenogami Property (completed – issued the Common Shares on July 2, 2020, and ascribed a fair value of \$19,500); and (2) incurred \$100,000 of exploration expenditures on the Kenogami Property and issued an additional 50,000 Common Shares to the optionor (completed, with corresponding Common Shares issued November 10, 2021, and ascribed a fair value of \$40,500). The remaining condition for the exercise of the Kenogami Option is the Company incurring no less than \$150,000 of exploration expenditures on the Kenogami Property on or before January 5, 2026.

The Company continues to assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining \$150,000 work commitment.

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## NORTH PEAK RESOURCES LTD.

### Notes to Condensed Interim Consolidated Financial Statements For the Six Months Ended June 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

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#### 5. Right-of-Use Assets

Right-of-use assets at December 31, 2022	61,009
Additions	87,128
Depreciation	(74,468)
<b>Balance, December 31, 2023</b>	<b>\$ 73,669</b>
Depreciation	(26,475)
<b>Balance, June 30, 2024</b>	<b>\$ 47,194</b>

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Right-of-use assets consists of a facility lease amortized over 24 months.

#### Maturity Analysis - Contractual Undiscounted Cash Flows

As at June 30, 2024:	
Less than one year	\$ 47,848
Greater than one year	7,975
<b>Total undiscounted lease obligation</b>	<b>\$ 55,822</b>

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#### 6. Lease Obligation

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10%, which is the Company's incremental borrowing rate. The continuity of the lease liabilities are presented in the table below:

Balance, December 31, 2022	\$ 64,272
Additions	87,129
Accretion expense	9,328
Lease payments	(81,790)
<b>Balance, December 31, 2023</b>	<b>\$ 78,939</b>
Accretion expense	8,474
Lease payments	(29,078)
<b>Balance, June 30, 2024</b>	<b>\$ 53,181</b>

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<b>As at June 30, 2024:</b>	
Less than one year	\$ 45,732
Greater than one year	7,449
<b>Total lease obligation</b>	<b>\$ 53,181</b>

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## NORTH PEAK RESOURCES LTD.

### Notes to Condensed Interim Consolidated Financial Statements For the Six Months Ended June 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

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#### 7. Share Capital

The authorized share capital of the Company is an unlimited number of Common Shares without par value.

The number of Common Shares issued and outstanding as at June 30, 2024 and December 31, 2023 is as follows:

	Common Shares(#)	Amount
<b>Balance, December 31, 2023</b>	30,132,178	\$ 38,182,019
Issued on exercise of stock options	25,000	73,052
<b>Balance, June 30, 2024</b>	<b>30,157,178</b>	<b>\$ 38,255,071</b>

#### 8. Warrants

There were no warrants issued, exercised or expired during the six months ended June 30, 2024.

The following table reflects the warrants outstanding as at June 30, 2024:

Expiry Date	Exercise Price	Weighted Average Life Remaining	Warrants Outstanding	Black-Scholes Value
November 17, 2028	\$ 1.34	4.43 years	340,000	\$ 472,532

#### 9. Stock Options

The Company has adopted a stock option plan which provides that the Board of Directors of the Company may grant options to purchase common shares of the Company to directors, officers, employees and consultants, up to a maximum of 10% of the total issued and outstanding Common Shares. The Board in its sole discretion may determine the vesting conditions for options, and the exercise price shall be determined by the Board at the time of grant in accordance with the provisions of the plan. The Company uses the Black Scholes option pricing model to determine the fair value of stock options granted.

The following table reflects the continuity of stock options for the six months ended June 30, 2024:

	Number of Stock Options	Weighted Average Exercise Price (CDN)
<b>Balance, December 31, 2023</b>	<b>2,725,000</b>	<b>\$1.15</b>
Expired	(200,000)	\$2.30
Exercised	(25,000)	\$1.55
<b>Balance, June 30, 2024</b>	<b>2,525,000</b>	<b>\$1.07</b>

# NORTH PEAK RESOURCES LTD.

## Notes to Condensed Interim Consolidated Financial Statements

For the Six Months Ended June 30, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited)

The total non-cash share-based compensation expense for the three and six months ended June 30, 2024 was \$9,157 and \$18,314, respectively (three and six months ended June 30, 2023 - \$270,465 and \$288,223, respectively).

The following table summarizes the stock options outstanding at June 30, 2024, of which 2,245,000 were exercisable, and have a weighted average remaining life of 2.30 years.

Expiry Date	Exercise Price	Weighted Average Life Remaining	Options Outstanding	Black-Scholes Value
April 12, 2028	\$ 0.76	3.79 years	195,000	\$ 159,179
June 26, 2028	1.60	3.99 years	195,000	272,343
July 2, 2025	0.55	1.00 years	1,175,000	582,095
November 11, 2026	0.81	2.37 years	25,000	20,560
December 2, 2026	1.28	2.42 years	65,000	71,916
December 10, 2026	1.55	2.45 years	15,000	20,581
December 17, 2026	1.90	2.45 years	200,000	378,280
February 1, 2027	2.10	2.59 years	25,000	55,348
February 17, 2027	2.87	2.64 years	70,000	200,186
September 15, 2028	1.53	4.21 years	525,000	403,358
November 13, 2028	1.12	4.38 years	35,000	73,254
	\$ 1.07	2.40 years	2,525,000	\$ 2,374,308

### 10. General and administrative expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Management fees, wages and benefits	\$ 122,773	174,197	\$ 272,184	280,032
Filing and transfer agent fees	4,607	59,829	17,499	80,383
Investor relations and corporate development	21,853	24,592	24,619	46,435
Insurance	14,176	12,982	40,079	45,133
Office, IT and general	9,387	11,290	18,982	29,792
Other	12,310	25,146	34,380	66,366
	\$ 185,105	308,036	\$ 407,743	548,141

# NORTH PEAK RESOURCES LTD.

## Notes to Condensed Interim Consolidated Financial Statements For the Six Months Ended June 30, 2024 and 2023 (Expressed in Canadian Dollars) (Unaudited)

### 11. Exploration and evaluation expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Prospect Mountain Project</b>				
Drilling	\$ 115,744	13,902	\$ 153,481	13,902
Project management	74,285	61,241	179,697	61,241
Camp support	19,673	59,245	184,126	59,245
Geological	128,853	183,139	195,209	183,139
Geophysics	42,196	93,629	69,356	93,629
Assays	24,752	2,076	92,911	2,076
Mapping	15,564	75,369	27,845	75,369
Field supplies	23,365	6,152	24,561	6,152
	\$ 444,433	494,753	\$ 927,187	494,753
<b>Black Horse Project</b>				
	-	10,103	2,354	44,906
<b>Investigation of Prospective Properties</b>				
	-	15,102	-	92,283
<b>Total Exploration Expenses for the Period</b>	<b>\$ 444,433</b>	<b>519,958</b>	<b>\$ 929,541</b>	<b>631,942</b>

### 12. Related Party Transactions and Key Management Compensation

#### a) Key management compensation

The Company incurred charges with directors, officers (Chief Executive Officer, Chief Financial Officer, and Director of Corporate Development who are the key management personnel), and a company with a common director displayed in the table below. Key management have the authority and responsibility to plan, direct, and control the activities of the Company and receive compensation for services rendered in that capacity. Amounts paid to related parties were incurred in the normal course of business. Salaries, benefits, consulting fees and director's fees are recorded on a historical cost basis while share-based compensation is measured at the fair value of the instruments issued, with the expense recognized over the relevant vesting periods.

Compensation awarded to key management for the three and six months ended June 30, 2024 and 2023 was:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Management fees, wages and benefits	\$ 194,093	236,573	\$ 351,004	379,411
Share-based compensation	-	-	-	-
	\$ 194,093	236,573	\$ 351,004	379,411

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# **NORTH PEAK RESOURCES LTD.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**For the Six Months Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations. As at June 30, 2024, the Company did not owe any unpaid salaries, benefits or consulting fees to key management personnel.

### **13. Capital Management**

The Company's primary objective when managing capital is to maximize returns for its shareholders, while maintaining a flexible capital structure that optimizes cost of capital at acceptable risk and safeguards the Company's ability to continue as a going concern.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions to ensure financial flexibility and enable the Company to respond to changes and the risk characteristics of the underlying assets and business opportunities. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets.

The Company defines capital as its shareholder's equity comprised of share capital, contributed surplus and deficit. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's capital management objectives, policies and processes have remained consistent and unchanged during the three and six months ended June 30, 2024.

### **14. Financial Risk Management**

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are: liquidity risk, credit risk, and market risk.

#### **a) Liquidity risk**

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered or slowed due to a decline in the stock market or other macroeconomic factors. As at June 30, 2024, the Company had a cash balance of \$3,559,374 (December 31, 2023 - \$5,304,713) to settle current liabilities of \$196,110 (2023 -\$536,733). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity and financial flexibility.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. At June 30, 2024, the Company has no sources of revenue to fund its exploration and development expenditures and has historically relied solely on non-brokered private placements to fund its operations. The Company's current cash balance is sufficient to fund the remainder of the 2024 work program as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives and has an experienced management team and Board of Directors to assist with managing liquidity risk.

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# **NORTH PEAK RESOURCES LTD.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**For the Six Months Ended June 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

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b) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and investments. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

c) Market Risk

1) Interest rate risk

The Company has cash balances with rates that fluctuate with prevailing market rates and has no current debt. The Company's current policy is to invest cash in cash accounts or short-term interest-bearing securities issued by high quality financial institutions and chartered banks. The Company monitors its cash and investments as well as the credit ratings of its banks.

2) Currency risk

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. Changes in the exchange rate between foreign currencies and the Canadian dollar would not likely have a significant impact on the Company's financial position, results of operations, and cash flows. The Company does not currently use derivative instruments to reduce its exposure to foreign currency risk, however exchange rates are continually monitored for any significant changes. A portion of the Company's exploration expenses are paid in USD, and the Company frequently converts a portion of its CAD cash balances into USD to reduce its currency risk exposure related to the CAD when required or deemed appropriate or advantageous due to timing or opportunities in currency markets. The Company is mainly exposed to foreign currency risk on financial instruments consisting of trade payables denominated in USD and GBP, however a 10% movement in foreign exchange rates would not have a material impact on the net loss for the six months ended June 30, 2024 or year ended December 31, 2023.

3) Price risk

The Company is exposed to price risk with respect to precious metal commodity prices and the prices of equity securities. Equity security price risk is defined as the potential adverse impact on the Company's net income or loss due to movements in individual prices of equity securities or price movements in the stock market generally. Commodity price risk is defined as the potential adverse impact on net income or loss and economic value due to commodity price movement and volatility. The Company closely monitors commodity prices, particularly as they relate to gold and silver and movements in the price of individual equity securities, and movements in macroeconomic trends and market cycles.

## **15. Subsequent Events**

- a) On July 5, 2024, the Company granted stock options to acquire a total of 200,000 Common Shares at an exercise price of \$1.00 per share to the CFO of the Company and two consultants. The options expire five years from the date of grant.
- b) On August 17, 2024, the Company made the second cash payment of US\$385,000 to Solarljos as required by the Acquisition agreement relating to the 80% interest option purchase for the Prospect Mountain Property.