Baru Gold Corp.

November 30, 2023

Condensed Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

BARU GOLD CORPORATION

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	November 30 2023	August 31 2023
Assets	**$**	**$**
Current assets:		
Cash and cash equivalents	49,373	38,112
Receivables (note 3)	43,105	38,414
Prepaids and advances (note 4)	141,127	152,508
	233,605	229,034
Non-current assets:		
Right-of-use asset (note 7)	368	17,934
Exploration and evaluation assets (note 5)	9,545,789	9,155,684
	9,779,763	9,402,652
Liabilities and shareholder's equity		
Current liabilities:		
Accounts payable and accrued liabilities	4,563,088	4,116,379
Due to related parties (note 6)	780,703	839,197
Loan payable	23,300	23,400
Convertible debenture (note 8)	2,066,042	1,911,838
	7,433,133	6,890,814
	7,433,133	6,890,814
Shareholders' equity:		
Share capital (note ,9)	84,500,149	84,102,281
Reserves (note 10)	22,314,973	22,314,375
Accumulated Deficit	(104,468,492)	(103,904,818)
	2,346,630	2,511,838
	9,779,763	9,402,652

Nature of operations and going concern (note 1)
Subsequent events (note 17)

See accompanying notes to the condensed interim consolidated financial statements.

Approved on behalf of the Board:

"Terry Filbert" Director *"R. Scott Chaykin"* Director

BARU GOLD CORPORATION

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended November 30, 2023	Three months ended November 30, 2022
	$	**$**
General and administrative expenses:		
Amortization (note 7)	17,491	36,078
Consulting fees	31,391	116,590
Directors' fees (note 6)	22,500	42,900
Foreign exchange loss (gain)	(26,069)	31,709
Interest expense	7,084	4,633
Interest expense on convertible debt (note 8)	143,460	143,460
Investor relations	30,000	30,000
Management fees (note 6)	79,614	74,592
Office and administration	108,656	167,746
Professional fees	25,787	216,963
Rent	1,864	1,550
Transfer agent and regulatory fees	14,954	7,852
Travel and accommodation	45,895	28,099
Total general and administrative expenses	502,627	902,172
Loss on debt for shares settlement	(61,047)	-
Loss and comprehensive loss for the period	(563,674)	(902,172)
Basic and diluted loss per common share (note 11)	0.00	0.00
Weighted average number of common shares outstanding	226,095,578	197,816.730

See accompanying notes to the condensed interim consolidated financial statements.

BARU GOLD CORPORATION

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Reserves	Accumulated Deficit	Shareholders' Equity
		$	$	$	$
Balance, August 31, 2022	197,816,730	83,435,761	22,248,753	(100,620,999)	5,063,515
Loss for the year	-	-	-	(902,172)	(902,172)
Balance, November 30, 2022	197,816,730	83,435,761	22,248,753	(101,523,171)	4,161,343
Private placements	25,143,465	673,904	-	-	673,904
Share issuance costs	-	(7,384)	3,674	-	(3,710)
Share based payments	-	-	61,948	-	61,948
Loss for the year	-	-	-	(2,381,647)	(2,381,647)
Balance, August 31, 2023	222,960,195	84,102,281	22,314,375	(103,904,818)	2,511,838
Balance, August 31, 2023	222,960,195	84,102,281	22,314,375	(103,904,818)	2,511,838
Private placements	3,875,000	155,000	-	-	155,000
Share issuance costs	-	(1,318)	598	-	720
Shares issued for debt	6,104,656	244,186	-	-	244,186
Loss for the year	-	-	-	(563,674)	(563,674)
Balance, November 30, 2023	232,939,851	84,500,149	22,314,973	(104,468,492)	2,346,630

See accompanying notes to the condensed interim consolidated financial statements.

BARU GOLD CORPORATION

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended November 30, 2023	**Three months ended November 30, 2022**
	$	**$**
Cash provided by (used in):		
Operating activities:		
Loss for the period	(563,674)	(902,172)
Items not involving cash:		
Amortization	17,491	36,078
Interest expense	7,084	4,633
Foreign exchange	(34,539)	52,016
Loss on settlement of debt	61,047	-
Interest expense on convertible debt	143,460	143,460
Legal expenses on convertible debt	4,227	4,227
Changes in non-cash operating working capital items:		
Receivables	(4,853)	26,211
Prepaids and advances	10,659	190,342
Accounts payable and accrued liabilities	486,161	199,036
Due to related parties	129,251	94,022
	256,314	(152,147)
Investing activities:		
Exploration and evaluation assets	399,333	(358,720)
Right of use assets	-	-
	399,333	(358,720)
Financing activities:		
Private placements	155,000	-
Share issuance costs	(720)	-
Loans		143,097
Lease payments		(96,274)
	154,280	46,823
Change in cash and cash equivalents	11,261	(464,044)
Cash and cash equivalents, beginning	38,112	511,367
Cash and cash equivalents, end	49,373	47,323
Cash and cash equivalents are comprised of:		
Cash	14,873	12,823
Cash equivalents	34,500	34,500
	49,373	47,323

Supplemental disclosure with respect to cash flows (note 14)
See accompanying notes to the the condensed interim consolidated financial statements.

1. Nature of operations and going concern

Baru Gold Corporation ("the Company") was incorporated under the laws of British Columbia and is in the process of exploring its exploration and evaluation assets in Indonesia. The address of the Company's corporate office and principal place of business is Suite 900 - 1021 West Hastings St, Vancouver, British Columbia, Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "BARU".

The Company's exploration and evaluation assets are in Indonesia. The Company also has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing, permits to explore, develop, and achieve future profitable production activity from its exploration and evaluation assets or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. During the three months ended November 30, 2023, the Company had a net loss and comprehensive loss of $563,674 (2022 - $902,172) and had an accumulated deficit of $104,468,492 respectively (August 31, 2023 - $103,904,818). These material uncertainties may cast significant doubt upon the entity's ability to continue as a going concern.

These 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 its assets and discharge its liabilities in the ordinary course of operations. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements.

The outbreak of COVID-19 and political upheavals in various countries have caused significant volatility in commodity prices. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

The condensed interim consolidated financial statements were authorized for issue on March 4, 2024 by the Board of Directors of the Company.

2. Significant accounting policies

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and, accordingly, should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2023.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(Expressed in Canadian dollars)

2. Significant accounting policies (cont'd)

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the reporting currency of the Company. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards ("IAS") 21.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries located in Canada (Sangihe Gold Corporation), Indonesia (PT. East Asia Minerals Indonesia), Hong Kong (Sangihe Gold HK Limited and East Asia Minerals HK Limited), and Indonesia (70% owned PT. Tambang Mas Sangihe). All inter-company transactions and accounts have been eliminated upon consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported revenues and expenses during the period. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may vary from these estimates.

In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended August 31, 2023.

3. Receivables

	November 30, 2023	August 31, 2023
	$	$
GST receivable	27,366	22,735
Other receivables	15,739	15,679
Total receivables	43,105	38,414

(Expressed in Canadian dollars)

4. Prepaids and advances

Prepaid and advances at November 30, 2023, of $141,127 (August 31, 2023 – $152,508) included:

- $48,699 (August 31, 2023 - $37,500) were recorded for investor relations and marketing advances; and
- $64,781 (August 31, 2023 - $439,985) were recorded for rent and other deposits paid.

5. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Indonesia and the Company is therefore relying on title opinions by legal counsel who are basing such opinions on the laws of Indonesia.

During fiscal 2006, the Company entered into a Memorandum of Understanding with certain Indonesian companies on exploration and evaluation assets (known as the Sangihe project) located in Indonesia. The Company has a 70% interest in the Sangihe project at November 30, 2023 (August 31, 2023: 70%).

The Company has agreed to fund 100% of the exploration and development and operating expenditures of the exploration and evaluation assets up to and including the costs of any feasibility studies, after which all parties are to fund their proportionate share, or have their interest diluted.

The Company's exploration and evaluation assets consist of:

	Sangihe property (Indonesia)
	$
Balance, August 31, 2023,	9,155,684
Drilling	170,108
Geology	20,504
Office and supplies	5,449
Professional fees	2,433
Travel	45,695
Technical reports	1,315
Tenement costs	56,102
Wages	176,160
Recovery of costs	(87,660)
Total additions	390,105
Balance, November 30, 2023,	9,545,789

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (cont'd)

	Sangihe property (Indonesia)
	$
Balance, August 31, 2022,	6,725,985
Acquisition costs	4,907
Drilling	872,573
Geology	96,976
Office and supplies	61,744
Professional fees	10,445
Travel	240,622
Technical reports	17,970
Tenement costs	375,850
Wages	837,612
Recovery of costs	(89,000)
Total additions	2,429,699
Balance, August 31, 2023,	9,155,684

The Sangihe Project is located on the island of Sangihe, Indonesia. Certain foreign companies and foreign Indonesian joint venture companies exploring natural resources in Indonesia normally conduct their activities under Indonesian incorporated foreign investment joint venture companies, which are regulated by terms and conditions contained in a contract commonly referred to as the Contract of Work ("CoW Agreement"). A CoW Agreement is a legally binding contract between the Government of the Republic of Indonesia and a foreign-investment joint venture company, which is specifically incorporated to hold the title of the CoW area ("CoW Company"). In the CoW agreement, the Indonesian government grants the CoW Company the exclusive right to explore and mine mineral deposits that may exist in the contract area. The CoW Agreement covers comprehensive terms of engagement such as the various stages of exploration from general geological survey and exploration and bankable feasibility study to mining, royalty and taxes, employment, corporate social responsibilities, and environmental protection.

During the year ended August 31, 2021, the Ministry of Energy and Mineral Resources (the "Ministry") was named a Defendant at Jakarta Administrative Court to annul the upgrade of the COW contract to production status granted by the Ministry. While the Company's subsidiary PT. Tambang Mas Sangihie (TMS) was not named in the lawsuit, the Company applied as Intervening Defendant to protect its interest in the Sangihe Project and contest the plaintiff's claim. On April 20, 2022, the case was dismissed. The plaintiff appealed the decision and on August 31, 2022, the court ruled in favor of the plaintiff. TMS filed an appeal to the Supreme Court of Indonesia and on January 16, 2023, the Court has decided that the Operational Permit be cancelled. The MEMR has cancelled the upgrade on September 8, 2023, and on September 11, 2023 the Company submitted all paperwork and accepted by the Ministry for processing. The Company is waiting for the upgrade to production status to be re-issued.

On October 12, 2021, a lawsuit was filed against the North Sulawesi Province Government Head of Investment and One Stop Integrated Services of North Sulawesi as Defendant I and Head of Environmental Department of North Sulawesi as Defendant II. The lawsuit pertained to the issuance of the Environmental Permit ("AMDAL") to TMS in August of 2020. While The Company was not named in the lawsuit, the court granted permission for a representative of the Company to attend the proceedings in support of the government departments. On June 2, 2022, judgement was issued in favor of the plaintiff. TMS filed an appeal with the State Administrative High Court ("PTTUN") in Makassar and on September 6, 2022, the court ruled in favor of the Company. The plaintiff has filed an appeal to the Supreme Court of Indonesia and on January 9, 2023, the Court has again ruled in favour of the Company. The validity of the process, procedures and the awarding of the AMDAL have been reaffirmed and the plaintiff's complaints dismissed in their entirety.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (cont'd)

As the rights to the Sangihe Gold project are secured by the CoW agreement, the results of these court cases have no impact on the Companies exclusive right to explore and mine mineral deposits that may exist in the contract area.

6. Related party transactions

Compensation and payments to key management personnel was as follows:

	Three months Ended	
	November 30 2023	**November 30 2022**
	$	**$**
Fees and short-term benefits – management	79,614	74,592
Fees and short-term benefits – directors	22,500	42,900
Fees and short-term benefits – travel and health	24,305	31,065
	126,419	148,557

As of November 30, 2023, $780,703 (August 31, 2023- $839,197) is due to directors and officers of the Company which consists of accounts payable of $493,377 (August 31, 2023 - $429,151) and $287,326 (August 31, 2023 - $410,046) in loans payable. The amounts were non-interest bearing, unsecured, with no stated terms of repayment.

The Company entered into Executive Services Agreements (the "Agreements") with the CEO, CFO and COO (the "Executives") for the provision of management services. The provision of the services shall continue until December 31, 2023, and extendable by a period of one year, unless otherwise terminated.

The CEO is eligible for an annual bonus paid based on certain targets set out by the Board. The bonus will be at least equal to the total annual salary to be paid for year for that year. If these targets are not achieved in its respective year, it will be deemed earned and the bonus paid once the target is achieved.

Should the parties be subject to termination without just cause, the Agreements will be terminated in no less than one month's prior notice, and the Company will be required to pay two times the base salary at the time of termination and replacement costs equal to 24 months of any health, welfare, pension, life insurance and disability insurance benefits.

Should the Company be subject to a change of control and terminate any of the Agreements, the Agreements will be terminated in no less than one month's prior notice, and the Company will be required to pay two times the base salary at the time of termination, replacement costs equal to 48 months of any health, welfare, pension, life insurance and disability insurance benefits, bonus payment of not less than an amount two times the average of the last three annual bonus/incentive payments paid, and $1,000,000 every year the executive has represented the Company as CEO, or $500,000 every year the executive has represented the Company as CFO or COO. The severance payments relating to the $1,000,000 and $500,000 may be converted into shares of the Company at a 20% discount to the closing share price on the 15th day after the termination date, or TSX-V approval.

(Expressed in Canadian dollars)

7. Right-of-use asset

The Company adopted IFRS 16 on September 1, 2019. On initial adoption, the Company has elected to record right-of use assets based on the corresponding lease obligation. Right-of-use asset and lease obligations were recorded as of September 1, 2019, with no impact on deficit. When measuring the present value of lease obligations, the Company discounted remaining lease payments using its incremental borrowing rate at September 1, 2019, which was a weighted-average rate of 10%.

Right of use assets	**Indonesia**	**Canada**	**Total**
	$	**$**	**$**
Balance August 31, 2022	118,155	22,153	140,308
Amortization	(102,357)	(22,153)	(124,510)
Foreign exchange	2,136	-	2,136
Balance August 31, 2023	17,934	-	17,934
Amortization	(17,491)	-	(17,491)
Foreign exchange	75	-	75
Balance November 30, 2023	368	-	368

8. Convertible debenture

	November 30, 2023	**August 31, 2023**
	$	**$**
Balance at beginning of period	1,911,838	1,526,105
Present value of loan net proceeds	-	-
Interest expense	143,460	575,415
Amortization of legal expenses	4,227	16,956
Payments	-	(305,066)
Revaluation due to foreign exchange rate change	6,517	98,428
Balance at end of period	2,066,042	1,911,838
Less: current portion	(2,066,042)	(1,911,838)
Long term portion at end of period	-	-

On July 19, 2022, the Company entered into a two (2) year secured convertible debenture (“convertible debenture”) arrangement with an unrelated third party; Mercer Street Global Opportunity Fund (“Mercer”), for gross principal balance of US$2,000,000. The convertible debenture is repayable in cash in eighteen equal monthly installments equal to US$111,111 commencing February 1, 2023. The principal balance can also be converted into common shares of the Company at a rate of US$0.0384 per share at Mercer’s option any time after the 4th month from July 15, 2022. On the closing date the Company paid a total of US$ 25,000 in legal fees which will be amortized over the term of the loan.

The Company determined the convertible debenture was a compound financial instrument, which contains three components: i) financial liability – convertible debt, ii) the equity portion of the convertible debt, and iii) the detachable warrants.

8. Convertible debenture (cont'd)

On initial recognition the Company determined the fair value of the liability component to be US$1,128,928 which was determined by calculating the present value of the future cash flows of the loan assuming a discount rate of 16.67% per year. The fair value of the equity component was determined to be US$371,072 which was allocated between the equity portion of the convertible debt and the detachable warrants using the relative fair value method (US$212,041 and US$159,031 respectively). These components are not subsequently remeasured.

The debt component of the convertible note is being accreted over the term to maturity, with accretion charge included in interest expense.

9. Share capital

(a) Common shares

Authorized

Unlimited common shares, without par value.

Issued share capital

On November 30 2023, there were 232,939,851 (August 31, 2023 – 222,960,195) issued and outstanding common shares.

During the three months ended November 30, 2023, the Company:

- Completed a private placement of 3,875,000 units for proceeds of $155,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.07 for the first year and $0.10 for the second year. Finders' fees of $720 was paid in cash and 18,000 brokers' warrants were issued and recorded at a fair value of $598.

- Issued 6,104,656 shares with a value of $244,186 to an officer of the Company to settle outstanding debt for $183,140 and recorded a $61,047 loss on settlement.

During the year ended August 31, 2023, the Company:

- Completed a private placement of 7,040,000 units for proceeds of $140,800. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.05 per common share for the first year and $0.10 per common share for the second year. Finders' fees of $3,290 was paid in cash and 164,500 brokers' warrants were issued and recorded at a fair value of $3,350.

- Completed a private placement of 1,000,000 units for proceeds of $20,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.05 per common share for the first year and $0.10 per common share for the second year.

(Expressed in Canadian dollars)

9. Share capital (cont'd)

(a) Common shares (cont'd)

During the year ended August 31, 2023, the Company (cont'd):

- Completed a private placement of 1,000,000 units for proceeds of $20,000. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.05 per common share for the first year and $0.10 per common share for the second year.

- Completed a private placement of 5,681,799 units for proceeds of $170,454. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.05 per common share for the first year and $0.10 per common share for the second year.

- Completed a private placement of 7,455,000 units for proceeds of $223,650. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.05 per common share for the first year and $0.10 per common share for the second year.

- Completed a private placement of 3,966,666 units for proceeds of $118,999.99. Each unit is comprised of one common share and one share purchase warrant. Each full warrant is exercisable for a term of two years for the purchase of an additional common share at a price of $0.05 per common share for the first year and $0.10 per common share for the second year. Finder's fees of $420 are payable in cash and 14,000 finder's warrants to purchase were issued at an exercise price of $0.05 for the first year and $0.10 for the second year.

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

	November 30, 2023		**August 31, 2023**	
	Number of warrants	Weighted average exercise price **$**	Number of warrants	Weighted average exercise price **$**
Warrants, beginning of the period	78,491,696	0.14	53,169,731	0.18
Issued	3,893,000	0.04	25,321,965	0.05
Expired/cancelled	(38,169,731)	0.23	-	-
Warrants, end of the period	44,214,965	0.06	78,491,696	0.14

(Expressed in Canadian dollars)

9. Share capital (cont'd)

(b) Warrants

The following warrants were outstanding at August 31, 2023:

Number of warrants	Exercise price ($)	Expiry date
15,000,000	0.065	July 19, 2024
7,204,500	0.05 (1)	January 24, 2025
1,000,000	0.05 (1)	February 21, 2025
5,681,799	0.05 (1)	February 24, 2025
7,455,000	0.05 (1)	March 15, 2025
3,980,666	0.05 (1)	June 26, 2025
3,893,000	0.07 (1)	October 11, 2025
44,214,965		

(1) Exercise price in the first year and then $0.10 thereafter.

During the three months ended November 30, 2023, the Company issued 18,000 (2022 – nil) finders' warrants with an initial fair market value of $598 (2022 - $nil) which was recorded as share issue costs. The following assumptions were used for the Black-Scholes valuation of the finders' warrants:

	Period ended November 30, 2023
Risk-free interest rate	4.75%
Expected life of warrant	2
Expected dividend yield	0%
Expected stock price volatility	211.05%
Fair value per warrant	$0.03

(c) Convertible debt warrants

During the year ended August 31, 2022, the Company issued 15,000,000 (2021 – nil) warrants in conjunction with the issue of convertible debt (see note 8) with a relative fair market value of $281,829 (2021 - $nil) which was recorded as reserves. The following weighted average assumptions were used for the Black-Scholes valuation of the convertible debt warrants:

	Year ended August 31, 2022	,
Risk-free interest rate	3.29%	
Expected life of warrant	2	
Expected dividend yield	0%	
Expected stock price volatility	119.39%	
Fair value per warrant	$0.01	

(Expressed in Canadian dollars)

10. Share-based payments

(a) Stock options

The Company has an incentive rolling stock option plan (the "Plan) in place under which it is authorized to grant options to executive officers, directors, employees, and consultants to acquire up to 10% of the outstanding issued common shares. Included within the Plan is a Restricted Share Unit Plan (RSU) which allows for the issuance of a maximum of 11,646,993 RSU's and the RSU's can be settled by the issuance of common shares. No RSUs have been issued.

The Plan allows for the option price at the time each option is granted to be not less than the discounted market price as calculated and defined in accordance with the policies of the TSX Venture Exchange ("TSX-V"). Options granted under the Plan will have a term not to exceed ten years. Vesting is determined at the discretion of the Board of Directors and in accordance with the policies of the TSX-V. Stock option transactions and the number of stock options outstanding are summarized as follows:

	November 30, 2023		**August 31, 2023**	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
		$		**$**
Outstanding, beginning of the period	15,886,750	0.10	18,142,822	0.10
Granted	-	-	2,775,000	0.05
Expired/Forfeited	-	-	(5,031,072)	0.07
Outstanding, end of the period	15,886,750	0.10	15,886,750	0.10

The following stock options were outstanding and exercisable at November 30, 2023:

Number of options outstanding	**Number of options exercisable**	**Exercise price ($)**	**Expiry date**
550,000	550,000	0.06	May 04, 2024
925,000	925,000	0.05	August 31, 2024
2,575,000	2,550,000	0.05	May 1, 2025
1,000,000	1,000,000	0.10	July 16, 2025
1,700,000	1,700,000	0.15	September 9, 2025
1,475,000	1,475,000	0.155	January 6, 2026
6,700,000	6,700,000	0.11	January 29, 2026
761,750	761,750	0.07	July 15, 2026
200,000	200,000	0.05	December 30, 2027
15,886,750	15,861,750		

11. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended November 30, 2023, was based on the loss attributable to common shareholders of $563,674 (2022 – $902,172) and the weighted average number of common shares outstanding of 226,095,578 (2022 – 197,816,730).

Diluted loss per share did not include the effect of the outstanding stock options and the outstanding warrants as the effect would be anti-dilutive.

12. Financial instruments

IFRS 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial risks

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

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with high-credit quality financial institutions. Substantially all of the Company's cash and cash equivalents are held with a major Canadian financial institution. A significant portion of receivables is due from the Government of Canada for sales tax refunds. Management believes that the credit risk concentration with respect to cash and cash equivalents and receivables is minimal.

Management also considered the risk associated with the recovery of the advances made to certain parties in connection with services expected to be provided. The recovery of these advances is based on the parties agreeing to correspond and deliver to the Company the services either directly or through another party. The carrying amount of financial assets represents the maximum credit exposure to the Company.

***12.* Financial instruments** *(*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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As of November 30, 2023, the Company had cash and cash equivalents of $49,373 (August 31, 2023 - $38,112) to settle current liabilities of $7,433,133 (August 31, 2023 - $6,890,814).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is uncertain. There can be no assurance of continued access to significant equity funding.

Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At November 30, 2023, the Company was not exposed to significant interest rate risk.

Certain of the Company's operating expenditures are denominated in United States Dollars ("USD") and Indonesian Rupiah ("IDR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities. The Company is principally engaged in the exploration and development of mineral properties in Indonesia.

Financial assets

The Canadian dollar equivalent of the amounts denominated in foreign currencies are as follows:

November 30, 2023	**USD**	**IDR**	**Total**
	$	**$**	**$**
Cash and cash equivalents	6,446	713	7,159
Other receivables	14,351	-	14,351
	20,797	713	21,510

August 31, 2023	**USD**	**IDR**	**Total**
Cash and cash equivalents	463	327	790
Other receivables	-	14,514	14,514
	463	14,841	15,304

12. Financial instruments (cont'd)

Financial liabilities

The exposure of the Company's financial liabilities to currency risk is as follows:

November 30, 2023	USD	IDR	Total
	$	$	$
Accounts payable	937,129	203,730	1,140,859

August 31, 2023	USD	IDR	Total
Accounts payable	182,668	918,885	1,101,553

Sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, receivables and accounts payable and accrued liabilities that are denominated in USD. As of November 30, 2023, net financial liabilities totaling $203,017 (August 31, 2023 – $182,205) were held in USD and net financial liabilities totaling $916,332 (August 31, 2023 – $904,044) were held in IDR.

Based on the above net exposure as of November 30, 2023, and assuming all other variables remain constant, a 1% depreciation or appreciation of the USD against the Canadian dollar would result in an increase or decrease of approximately $2,030 (2022 - $962) in the Company's loss and comprehensive loss. A 1% depreciation or appreciation of the IDR against the Canadian dollar would result in an increase or decrease of approximately $9,160 (2022 - $10,812) in the Company's loss and comprehensive loss.

13. Capital management

The Company considers the items in shareholders' equity as capital. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition and exploration of its exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development, and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended November 30, 2023. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

14. Supplemental disclosure with respect to cash flows

The Company's significant non-cash transactions during the period ended November 30, 2023 were as follows:

(a) Included in exploration and evaluation assets is $2,779,513 which relates to accounts payable and accrued liabilities (net of reversal for $2,788,547 at August 31, 2023);
(b) Issued 18,000 common share purchase warrants as finders' warrants valued at $598 related to a private placement;

The Company's significant non-cash transactions during the period ended November 30, 2022 were as follows:

(a) Included in exploration and evaluation assets is $1,299,676 which relates to accounts payable and accrued liabilities;
(b) Included in prepaids is $4,044 for interest on lease liability.

15. Segmented information

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in Indonesia.

The Company also has its assets and liabilities across the geographical locations as follows:

November 30, 2023	Canada	Indonesia	Total
	$	**$**	**$**
Exploration and evaluation assets	-	9,545,789	9,545,789
Right of use asset	-	368	368
Total	-	9,779,763	9,779,763

August 31, 2023	Canada	Indonesia	Total
Exploration and evaluation assets	-	9,155,684	9,155,684
Right of use asset	-	17,934	17,934
Total	-	9,173,618	9,173,618

16. Subsequent events

a) In connection with the Company's inability to file the Annual Filings on time, the Company applied for a Management Cease Trade Order ("MCTO") which was approved January 2, 2024.

b) On January 24, 2024, the company announced a private placement of up to 7,500,0000 units at $0.02 per unit for total proceeds of $150,000. Each unit is comprised of one common share in the capital of the Company and one non-transferable common share purchase warrant. Each warrant will entitle the holder to purchase over two years one additional share at an exercise price of $0.05.

c) On February 2, 2024, the Company announced the closing the first tranche of the private placement announced on January 24, 2024 with proceeds of $119,500, and the issuing 5,975,000 Units.