AUQ GOLD MINING INC.

Condensed Interim Financial Statements

For the nine months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended November 30, 2023 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

AUQ GOLD MINING INC.

Condensed Interim Statements of Financial Position
As at November 30, 2023 and February 28, 2023
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	November 30, 2023 $	February 28, 2023 $
Assets		
Current assets		
Cash	43,343	330,152
Amounts receivable	36,206	28,190
Prepaid	5,000	–
Total current assets	84,549	358,342
Non-current assets		
Exploration and evaluation assets (Note 4)	1,404,531	1,111,817
Total assets	1,489,080	1,470,159
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 6)	592,571	458,943
Loans payable (Note 5)	31,436	31,436
Notes payable (Note 6)	177,393	177,393
Total current liabilities	801,400	667,772
Non-current liabilities		
Loan payable (Note 5)	10,000	10,000
Total liabilities	811,400	677,772
Shareholders' equity		
Share capital (Note 7)	19,527,454	19,527,454
Share-based payment reserve (Note 7)	2,515,968	2,515,968
Deficit	(21,365,742)	(21,251,035)
Total shareholders' equity	677,680	792,387
Total liabilities and shareholders' equity	1,489,080	1,470,159

Nature of business and continuing operations (Note 1)
Subsequent event (Note 8)

Approved and authorized for issuance on behalf of the Board of Directors on January 29, 2024:

/s/ Glen Macdonald
Glen Macdonald, CEO

/s/ Ken Ralfs
Ken Ralfs, Director

AUQ GOLD MINING INC.

Condensed Interim Statements of Operations and Comprehensive Loss
For the nine months ended November 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the three months ended November 30,		For the nine months ended November 30,	
	2023	2022	2023	2022
	$	$	$	$
Expenses				
Consulting fees (Note 7)	15,000	15,000	48,248	45,000
General and administrative	399	18	15,539	15,115
Professional fees	14,056	–	19,556	14,000
Transfer agent and filing fees	–	1,350	5,350	5,905
Total expenses	29,455	16,368	88,693	80,020
Loss before other expense	(29,455)	(16,368)	(88,693)	(80,020)
Other expense				
Interest expense	(8,666)	(8,086)	(26,014)	(23,607)
Net loss and comprehensive loss for the period	(38,121)	(24,454)	(114,707)	(103,627)
Loss per share, basic and diluted	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares outstanding	17,501,962	15,701,962	17,501,962	15,637,053

AUQ GOLD MINING INC.

Condensed Interim Statements of Cash Flows
For the nine months ended November 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the nine months ended November 30,	
	2023 $	2022 $
Operating activities		
Net loss for the period	(114,707)	(103,627)
Item not involving cash:		
Interest expense	26,014	23,607
Changes in non-cash operating working capital:		
Amounts receivable	(8,016)	(886)
Prepaid	(5,000)	–
Accounts payable and accrued liabilities	47,898	80,790
Net cash used in operating activities	(53,811)	(116)
Investing activity		
Exploration and evaluation asset expenditures	(232,998)	–
Net cash used in investing activity	(232,998)	–
Change in cash	(286,809)	(116)
Cash, beginning of period	330,152	139
Cash, end of period	43,343	23
Non-cash investing activity:		
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	59,717	–
Units issued for acquisition of Eliza Gold Property	–	6,000

AUQ GOLD MINING INC.
Condensed Interim Statements of Changes in Shareholders' Equity
For the nine months ended November 30, 2023 and 2022
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity
	Number of shares	Amount $	$	$	$
Balance, February 28, 2022	15,551,962	19,104,454	2,514,468	(21,071,066)	547,856
Shares issued for exploration and evaluation assets	150,000	4,500	1,500	–	6,000
Net loss for the period	–	–	–	(103,627)	(103,627)
Balance, November 30, 2022	15,701,962	19,108,954	2,515,968	(21,174,693)	450,229
Balance, February 28, 2023	17,501,962	19,527,454	2,515,968	(21,251,035)	792,387
Net loss for the period	–	–	–	(114,707)	(114,707)
Balance, November 30, 2023	17,501,962	19,527,454	2,515,968	(21,365,742)	677,680

1. NATURE OF OPERATIONS AND GOING CONCERN

AUQ Gold Mining Inc. ("AUQ" or the "Company") was incorporated on April 23, 2005 under the Company Act of British Columbia. The Company changed its name from Royal Gold Mining Inc. on October 26, 2020. The Company's offices are located at Suite 701, 595 Howe Street, Vancouver, BC, Canada, V6C 2T5. The Company is engaged in the exploration of mineral properties in Canada. The Company's shares are traded on the TSX Venture Exchange ("TSXV") under the symbol "AUQ".

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended November 30, 2023, the Company did not generate any revenues and incurred negative cash flow from operations. As at November 30, 2023, the Company has an accumulated deficit of $21,365,742. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the IFRS Interpretations committee. They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and therefore should be read in conjunction with the Company's audited financial statements for the year ended February 28, 2023, prepared in accordance with IFRS as issued by the IASB.

These condensed interim financial statements were approved by the Board of Directors of the Company on January 29, 2024.

Basis of Measurement

The condensed interim financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (continued)

Functional and Presentation Currency

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

Use of Estimates and Judgements

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim condensed financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Income taxes
The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Significant judgements that management has made at the end of the reporting period are as follows:

Carrying value and the recoverability of exploration and evaluation assets
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies as those used in the Company's annual financial statements at February 28, 2023.

4. EXPLORATION AND EVALUATION ASSET

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

	Kirkland Creek $	Partridge Gold $	Eliza Gold $	James Bay $	Nabikok Property $	Total $
Acquisition costs:						
Balance, February 28, 2022	100,001	275,240	225,653	–	–	600,894
Additions (Note 8)	25,000	–	6,000	21,440	–	52,440
Impairment	–	(10,007)	–	–	–	(10,007)
Balance, February 28 and November 30, 2023	125,001	265,233	231,653	21,440	–	643,327
Exploration costs:						
Balance, February 28, 2022	107,009	357,701	–	–	–	464,710
Claims renewal	3,780	–	–	–	–	3,780
Balance, February 28, 2023	110,789	357,701	–	–	–	468,490
Claims renewal	–	–	10,190	5,000	–	15,190
Geological	–	–	–	5,000	272,524	277,524
Balance, November 30, 2023	110,789	357,701	10,190	10,000	272,524	761,204
Carrying amounts:						
Balance, February 28, 2023	235,790	622,934	231,653	21,440	–	1,111,817
Balance, November 30, 2023	235,790	622,934	241,843	31,440	272,524	1,404,531

Kirkland Creek Property Claims

The Company has negotiated the purchase of the Kirkland Creek Property, located 120 kilometers northwest of Whitehorse, Yukon, in the Ashihik Lake region. The property originally was comprised of 144 claims totaling approximately 7,300 acres. The Company paid the vendor 2,000,000 common shares for a 100% interest in the property. The vendor is the common law spouse of the Chief Executive Officer of the Company. The vendor will retain a 3% net smelter royalty ("NSR") on any mineral production from the property. Effective November 2010, an advance royalty of $25,000 is payable annually, the Company has incurred $275,000 cumulatively to February 29, 2020. The Company has the right to purchase up to 2% of the 3% NSR for $1,000,000 per percentage point. On May 7, 2007, the Company announced that it had expanded the property by staking an additional 36 claims (1,830 acres) adjoining the original 144-claim block. The Company has allowed some of the claims it considers to be of lesser importance to lapse. The Kirkland Creek property now consists of 40 contiguous claims.

During the year ended February 28, 2017, as a result of applying IFRS 6, the Company recorded a write down of this property of $2,296,719 to a nominal amount of $1 as a result of not meeting the criteria for expenditures on the property. Under IFRS 6, where substantial expenditures are neither budgeted nor planned there is an indicator of impairment. During the year ended February 28, 2019, the Company resumed exploration activities on the property.

4. EXPLORATION AND EVALUATION ASSET (continued)

Partridge Gold Property, Quebec

On January 16, 2020, the Company entered into an agreement to acquire a 100% interest in 95 mineral claims located in Abitibi, Quebec in exchange for issuing 360,000 common shares to the vendor (issued on January 23, 2020).

On October 8, 2020, the Company entered into an agreement to purchase 97 mineral claims that are contiguous to the existing Partridge Property in exchange for a cash payment of $20,000 and the issuance of 100,000 units. Each unit consisted of a common share and a share purchase warrant that entitles the holder to acquire an additional common share at $0.50 for a period of one year.

The vendor has retained a 2% net smelter return ("NSR") royalty. The Company may purchase 50% of the NSR for $1,000,000.

On February 28, 2023, the Company record an impairment of $10,007 for 3 mineral claims that expired.

Eliza Gold Property, Quebec

On February 6, 2020, the Company entered into an option agreement whereby the Company has the right to earn a 100% interest in 8 mineral claims. To earn this interest, the Company is to pay $20,000 within three days of TSX-V approval (paid). The Company is also to issue 150,000 units of the Company on each of the following dates: (1) within three days of TSX-V approval (issued); (2) March 13, 2021 (refer to Note 14(b)); (3) March 13, 2022 (issued); and (4) March 13, 2023 (pending). Each unit will be comprised of one common share and one share purchase warrant exercisable at $0.60 per common share for a period of two years from the date of issuance. The optionor has retained a 2% net smelter royalty, of which two tranches of 0.5% may be purchased by the Company for $500,000 each.

James Bay Property, Quebec

On December 19, 2022, the Company staked 143 claims for $21,440 in the James Bay region of Quebec.

Nabikok Property, Quebec

On August 18, 2023, the Company entered into a binding letter of intent ("LOI") to acquire 50% legal and beneficial interest in and to 155 exploration claims of the property. To earn this interest, the Company is to fund an aggregate amount of $600,000 exploration costs as follows: (1) $100,000 prior to the first anniversary (2) $200,000 prior to the second anniversary (3) $300,000 prior to the third anniversary.

5. LOANS PAYABLE

(a) As at November 30, 2023, the amount of $18,936 (February 28, 2023 – $18,936) is owed to a non-related party which bears interest at 20% per annum compounded monthly, is unsecured, and is due on demand. As at November 30, 2023, accrued interest of $64,251 (February 28, 2023 - $52,877) has been recorded in accounts payable and accrued liabilities.

(b) As at November 30, 2023, the amount of $10,000 (February 28, 2023 – $10,000) is owed to a non-related party which bears interest at 20% per annum compounded, is unsecured, and is due on demand. As at November 30, 2023, accrued interest of $34,636 (February 28, 2023 - $28,650) has been recorded in accounts payable and accrued liabilities.

(c) As at November 30, 2023, the amount of $2,500 (February 28, 2023 – $2,500) was owed to a non-related party which is non-interest bearing, unsecured, and due on demand.

(d) As at November 30, 2023, the amount of $10,000 (February 28, 2023 - $10,000) was owed to a non-related party which bears interest at 5% per annum, is unsecured, and due on December 31, 2024. As at November 30, 2023, accrued interest of $485 (February 28, 2023 - $108) has been recorded in accounts payable and accrued liabilities.

6. NOTES PAYABLE

As at November 30, 2023, the Company has a notes payable balance of $177,393 (February 28, 2023 – $177,393). Included in the notes payable balance is $31,194 (February 28, 2023 – $31,194) owed to the Chief Executive Officer of the Company. As at November 30, 2023, accrued interest of $29,054 (February 28, 2023 - $20,776) has been recorded in accounts payable and accrued liabilities, which includes $5,109 (February 28, 2023 – $4,099) owed to the Chief Executive Officer of the Company The notes are unsecured, bear interest at 5% per annum, and were due on December 31, 2022.

7. RELATED PARTY TRANSACTIONS

(a) As at November 30, 2023, the amount of $25,780 (February 28, 2023 – $13,780) was owed to the Chief Executive Officer of the Company which is recorded in accounts payable and accrued liabilities. The amount due is non-interest bearing, unsecured, and due on demand.

(b) As at November 30, 2023, the Company owed $100,000 (February 28, 2023 – $100,000) to the spouse of the Chief Executive Officer of the Company.

(c) During the period ended November 30, 2023, the amount of $45,000 (November 30, 2022 – $45,000) was incurred to the Chief Executive Officer of the Company for consulting fees.

(d) During the period ended November 30, 2023, the amount of $32,000 (November 30, 2022 – $Nil) was incurred to the Chief Executive Officer of the Company for exploration costs.

8. SHARE CAPITAL

Authorized share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued share capital

Share transactions for the period ended November 30, 2023:

No activity.

Share transactions for the year ended February 28, 2023:

(a) On June 27, 2022, the Company issued 150,000 units with a fair value of $6,000 in connection with the Eliza Gold mineral property option agreement (refer to Note 4). Each unit consisted of one common share and one share purchase warrant exercisable at $0.60 per common share until June 27, 2024. The common shares and share purchase warrants issued had a fair value of $4,500 and $1,500, respectively. The fair value of warrants was determined using the Black-Scholes option pricing model based on the following assumptions: risk-free rate of 3.14%; expected dividend of 0%; expected life of two years; and expected volatility of 141%.

(b) On December 29, 2022, the Company issued 1,800,000 flow-through units at $0.25 per unit for total proceeds of $450,000. Each unit consisted of one flow-through common share and one-half of one share purchase warrant. Each whole share purchase warrant is exercisable at $0.50 per common share expiring on December 29, 2023, subject to acceleration. In the event that the Company's common shares close trading at $0.65 for ten consecutive days, in which case, the Company can, on 30 days' notice, shorten the expiry date. It was determined that there was no flow-through premium. The Company paid a finder's fee of $31,500 in connection with this private placement.

8. SHARE CAPITAL (continued)

Warrants

A continuity schedule of the Company's warrants is as follows:

	November 30, 2023	Weighted average exercise price $	February 28, 2023	Weighted average exercise price $
Balance, beginning of period	1,200,000	0.53	300,000	0.60
Issued	–	–	1,050,000	0.51
Expired	(150,000)	0.60	(150,000)	0.60
Balance, end of period	1,050,000	0.51	1,200,000	0.53

As at November 30, 2023, the following share purchase warrants were outstanding:

Number of warrants	Exercise price $	Expiry date
*900,000	0.50	December 29, 2023
150,000	0.60	June 27, 2024
1,050,000		

*Subsequent to November 30, 2023, 900,000 warrants were expired.

Stock options

The Company, in accordance with the policies of the TSX Venture Exchange, is authorized to grant options to directors, officers, and employees to acquire common shares. The essential elements of the 2015 Stock Option Plan ("Plan") provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the fair market value price of the shares on the date of grant of the options (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date). Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors.

9. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its short-term investments as they are exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company's net loss.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its amounts receivable. This risk for these receivables is considered minimal. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

Historically, the Company's main source of funding has been through revenue earned from its operating well interests and the issuance of equity securities for cash. The Company's access to financing in the public markets is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign currency exchange rate risk is the risk that the fair value of assets and future cash flows will fluctuate as a result of changes in foreign currency exchange rates. However, the Company's functional currency is the Canadian dollar and the Company doesn't have any material assets or operations that are denominated in a foreign currency. Accordingly, the Company is not exposed to any material foreign exchange risk and has not hedged its limited exposure to currency fluctuations.

Commodity risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. The Company's exposure to commodity price risk is minimal at present since the Company has not yet identified a mineral resource.

9. FINANCIAL RISK MANAGEMENT (continued)

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended November 30, 2023.

Classification of financial instruments

Financial assets included in the statement of financial position are cash. Financial liabilities included in the statement of financial position are accounts payable. The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short term to maturity, and the effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

10. SEGMENTED INFORMATION

The Company operates in one segment being the acquisition, production, exploration and development of mineral resources properties in Canada.

11. INCOME TAXES

Flow-through

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures within 24-month period. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended February 28, 2023, the Company received $450,000 from the issuance of flow-through shares. These amounts will not be available to the Company for future deduction from taxable income. As at November 30, 2023, the Company has remaining $157,286 (February 28, 2023 - $450,000) in exploration expenditures to incur.