FORAN

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2024 and 2023

Expressed in thousands of Canadian Dollars

Unaudited

FORAN

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - expressed in thousands of Canadian dollars)

	Note		**June 30, 2024**		December 31, 2023
Assets					
Current assets					
Cash and cash equivalents		$	**156,467**	$	266,487
Accounts and other receivables			**1,796**		2,082
Prepaid expenses and deposits			**1,929**		2,163
Total current assets			**160,192**		270,732
Advances to suppliers	5		**6,796**		7,034
Prepaid expenses			**806**		1,668
Investments			**419**		566
Right-of-use assets			**49**		121
Restricted cash	4		**4,287**		4,287
Exploration and evaluation assets	5		**377,147**		258,081
Total assets		$	**549,696**	$	542,489
Liabilities and Shareholders' Equity					
Current liabilities					
Accounts payable and accrued liabilities	5	$	**32,156**	$	30,184
Leases			**159**		244
Flow-through share premium liability	6		**598**		7,084
Share-based payment liabilities	7		**8,050**		7,660
Total current liabilities			**40,963**		45,172
Decommissioning obligation			**1,536**		1,034
Credit facilities	8		**45,317**		38,222
Total liabilities			**87,816**		84,428
Shareholders' Equity					
Share capital	9		**522,747**		520,890
Share-based payment reserve			**12,090**		10,140
Accumulated other comprehensive income (loss)			**(37)**		111
Deficit			**(72,920)**		(73,080)
Total shareholders' equity			**461,880**		458,061
Total liabilities and shareholders' equity		$	**549,696**	$	542,489

Subsequent events (note 13)

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

Approved on behalf of the Board:

/s/ David Petroff	*/s/ Daniel Myerson*
Director	CEO & Executive Chairman

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Condensed Consolidated Interim Statements of (Income) Loss and Comprehensive (Income) Loss

(Unaudited - expressed in thousands of Canadian dollars, except share information)

		Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
General and administration expenses					
Consulting		$ **295**	$ 322	$ **674**	$ 1,004
Directors' fees		**58**	62	**112**	125
Investor relations		**131**	270	**362**	385
Office and administration		**394**	410	**889**	774
Professional fees		**94**	332	**404**	538
Salaries and benefits		**1,054**	596	**2,021**	1,133
Share-based payment (recovery) expense		**747**	(65)	**2,672**	3,008
		2,773	1,927	**7,134**	6,967
Other income					
Other income	11	**(3,410)**	(1,683)	**(7,294)**	(652)
		(3,410)	(1,683)	**(7,294)**	(652)
Net (income) loss for the period		$ **(637)**	$ 244	$ **(160)**	$ 6,315
Other comprehensive (income) loss:					
Unrealized loss (gain) on investments		**138**	9	**148**	(48)
Total comprehensive (income) loss for the period		$ **(499)**	$ 253	$ **(12)**	$ 6,267
Net (income) loss per share:					
Basic		$ **(0.00)**	$ 0.00	$ **(0.00)**	$ 0.02
Diluted		$ **(0.00)**	$ 0.00	$ **(0.00)**	$ 0.02
Weighted average shares outstanding		**333,371,445**	283,771,906	**333,013,672**	271,179,919

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

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Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited - expressed in thousands of Canadian dollars, except share information)

		Share Capital					
	Note	Shares	Amount	Reserves	Accumulated OCI	Deficit	Total
Balance, December 31, 2022		**256,193,615**	**$ 240,639**	**$ 6,461**	**$ 58**	**$ (59,457)**	**$ 187,701**
Shares issued pursuant to private placements		24,767,686	100,250	-	-	-	100,250
Flow-through share premium liability		-	(8,657)	-	-	-	(8,657)
Shares issued pursuant to exercise of stock options		1,191,665	1,514	(623)	-	-	891
Shares issued pursuant to exercise of DSUs		100,000	343	-	-	-	343
Shares issued pursuant to exercise of warrants		2,120,000	318	-	-	-	318
Share issuance costs		-	(4,971)	-	-	-	(4,971)
Share-based payment expense		-	-	2,280	-	-	2,280
Reclassification of RSU liability		-	-	(477)	-	-	(477)
Other comprehensive income		-	-	-	48	-	48
Net loss for the period		-	-	-	-	(6,315)	(6,315)
Balance, June 30, 2023		**284,372,966**	**$ 329,436**	**$ 7,641**	**$ 106**	**$ (65,772)**	**$ 271,411**
Shares issued pursuant to private placements		48,023,292	200,426	-	-	-	200,426
Flow-through share premium liability		-	(3,595)	-	-	-	(3,595)
Shares issued pursuant to exercise of stock options		70,000	142	(63)	-	-	79
Shares issued pursuant to exercise of DSUs		-	-	-	-	-	-
Shares issued pursuant to exercise of warrants		-	-	-	-	-	-
Share issuance costs		-	(5,519)	-	-	-	(5,519)
Share-based payment expense		-	-	2,571	-	-	2,571
Reclassification of the RSU liability		-	-	(9)	-	-	(9)
Other comprehensive income		-	-	-	5	-	5
Net loss for the period		-	-	-	-	(7,308)	(7,308)
Balance, December 31, 2023		**332,466,258**	**$ 520,890**	**$ 10,140**	**$ 111**	**$ (73,080)**	**$ 458,061**
Shares issued pursuant to exercise of stock options	9	898,402	1,547	(611)	-	-	936
Issued pursuant to exercise of DSUs	7	75,000	310	-	-	-	310
Share-based payment expense	9	-	-	2,561	-	-	2,561
Other comprehensive income		-	-	-	(148)	-	(148)
Net income for the period		-	-	-	-	160	160
Balance, June 30, 2024		**333,439,660**	**522,747**	**12,090**	**(37)**	**(72,920)**	**461,880**

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

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in thousands of Canadian dollars)

		Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash provided by (used in)					
Operations					
Net income (loss) for the period		$ **637**	$ (244)	$ **160**	$ (6,315)
Adjustments for:					
Flow-through share premium recovery	6	**(2,918)**	(1,177)	**(6,486)**	(1,177)
Share-based payment expense		**747**	(65)	**2,672**	3,008
Interest expense	11	**1,662**	1,313	**3,220**	2,555
Unrealized foreign exchange		**302**	(307)	**1,157**	(268)
Changes in non-cash working capital:					
Accounts receivable		**927**	114	**285**	101
Prepaid expenses and deposits		**110**	(253)	**102**	(318)
Accounts payable and accrued liabilities		**(124)**	898	**(4,407)**	20
		1,343	279	**(3,297)**	(2,394)
Investing					
Exploration and evaluation expenditures	5	**(56,747)**	(21,352)	**(110,292)**	(42,993)
		(56,747)	(21,352)	**(110,292)**	(42,993)
Financing					
Credit facility drawdowns	8	**1,338**	-	**2,676**	-
Credit facility repayments	8	**(94)**	-	**(113)**	-
Interest paid		**(38)**	-	**(46)**	-
Shares issued pursuant to private placements		**-**	-	**-**	100,000
Share issue costs paid		**-**	-	**-**	(4,971)
Exercise of stock options		**185**	328	**936**	891
Exercise of warrants		**-**	298	**-**	318
Lease payments		**(36)**	(159)	**(85)**	(347)
		1,355	467	**3,368**	95,891
Increase (decrease) in cash and cash equivalents		**(54,049)**	(20,606)	**(110,221)**	50,504
Impact of foreign exchange on cash and cash equivalents		**114**	(450)	**201**	(516)
Cash and cash equivalents, beginning of the period		**210,402**	158,366	**266,487**	87,322
Cash and cash equivalents, end of period		$ **156,467**	$ 137,310	$ **156,467**	$ 137,310
Cash and cash equivalents is comprised of:					
Cash		**156,467**	137,310	**156,467**	137,310
		$ **156,467**	$ 137,310	$ **156,467**	$ 137,310

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Foran Mining Corporation (the "**Company**") is a public company listed on the Toronto Stock Exchange and OTCQX, incorporated under the laws of British Columbia. The Company is involved in activities that include the acquisition, exploration and development of mineral properties.

The Company's head office and registered and records office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized net income of $160 for the six months ended June 30, 2024 (six months ended June 30, 2023: net loss of $6,315). As at June 30, 2024, the Company had an accumulated deficit of $72,920 (December 31, 2023: $73,080). In assessing whether the going concern assumption is appropriate, management took into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting date.

The Company has incurred significant operating losses in its exploration operations and its ability to continue as a going concern is dependent upon obtaining additional financing to complete the exploration and development of its exploration and evaluation assets and achieve future profitable production, or receiving proceeds from the disposition of its exploration and evaluation assets. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the condensed consolidated interim statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with IFRS Accounting Standards ("**IFRS**") as issued by the IASB.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. The same accounting policies were used in the preparation of these condensed consolidated interim financial statements as those used in the most recent annual audited consolidated financial statements, except for the adoption of the amendments to IAS 1 *Classification of Liabilities as Current or Non-current*, which did not have a material impact on the condensed consolidated interim financial statements.

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. IFRS 18 carries forward many of the requirements of IAS 1, but introduces significant changes to the structure of a company's statement of income (loss). The standard is applicable for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. The Company is currently evaluating the impact of the adoption of the standard.

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for those assets and liabilities that are measured at fair value (Note 10) at the end of each reporting period and cash flow information.

The Board of Directors (the "**Board**") approved these condensed consolidated interim financial statements on August 12, 2024.

3. USE OF JUDGEMENT AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of judgements and estimates made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements of the Company.

4. RESTRICTED CASH

On June 22, 2022, the Company obtained a $14,910 surety bond to support a possible future reclamation and closure obligation in accordance with the approval to operate permit for the Company's advanced exploration decline program at its McIlvenna Bay project, which in turn is secured by restricted cash in the amount of $4,287.

(Expressed in thousands of Canadian dollars, except share information)

5. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets is as follows:

	McIlvenna Bay	Other Saskatchewan Properties	Total
Balance, December 31, 2023	$ 244,647	$ 13,434	$ 258,081
Administration(1)	8,247	-	8,247
Surface prep and exploration decline	13,780	-	13,780
Camp costs	7,825	-	7,825
Consulting	471	3	474
Detailed engineering	10,375	-	10,375
Drilling	12,290	64	12,354
Early works	58,951	-	58,951
Community	554	-	554
Equipment	5,122	-	5,122
Geophysics	747	-	747
Permitting and licenses	637	-	637
Total exploration expenditures	118,999	67	119,066
Balance, June 30, 2024	$ 363,646	$ 13,501	$ 377,147

(1) Includes $589 (2023: $389) of share-based compensation

(a) McIlvenna Bay, Saskatchewan

The Company owns a 100% interest in the McIlvenna Bay mineral property located in Saskatchewan, Canada (“**McIlvenna Bay**”).

Certain claims that make up McIlvenna Bay are subject to a Net Tonnage Royalty (“**NTR**”) of $0.75 per tonne of ore extracted.

Cameco Corporation and BHP Billiton Limited collectively hold a 1% net smelter return (“**NSR**”) royalty interest on McIlvenna Bay, which can be repurchased by the Company at any time for $1,000.

(b) Other Saskatchewan Properties

The Company holds interests ranging from 65% to 100% in eight mining claims groups in its Saskatchewan property portfolio, exclusive of McIlvenna Bay (“**Other Saskatchewan Properties**”).

The Company has committed, through previous mineral property ownership agreements associated with certain of its Other Saskatchewan Properties, to pay various NSR and net profits interest (“**NPI**”) royalties. The NSR royalties range from 2% to 2.5%, with buyout provisions for up to one-half of some of these NSR royalties.

As at June 30, 2024, accounts payable and accrued liabilities included $31,145 (December 31, 2023: $24,766) related to exploration and evaluation asset expenditures.

As at June 30, 2024, advances to suppliers of $6,796 (December 31, 2023: $7,034) related primarily to equipment to be used in exploration and evaluation activities, which is expected to be delivered within the next 12 to 24 months.

(Expressed in thousands of Canadian dollars, except share information)

6. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability is as follows:

Balance, December 31, 2023	$	7,084
Reduction due to qualifying expenditures		(6,486)
Balance, June 30, 2024	$	598

As at June 30, 2024, the Company is required to spend $1,665 of qualifying exploration expenditures by December 31, 2024 to satisfy the remaining flow-through share premium liability of $598.

7. SHARE-BASED PAYMENT LIABILITIES

The Company has a long-term incentive plan ("**LTIP**") that allows the Company to grant various awards, including Deferred Share Units ("**DSUs**") and Restricted Share Units ("**RSUs**") to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding.

A continuity of the changes in the DSUs outstanding is as follows:

	Number of units		Value
Outstanding, December 31, 2023	1,792,375	$	6,991
Granted	75,000		293
Exercised	(75,000)		(310)
Revaluation	-		52
Outstanding, June 30, 2024	1,792,375	$	7,026

A continuity of the changes in the RSUs outstanding is as follows:

	Number of units		Value
Outstanding, December 31, 2023	236,667	$	669
Granted	207,500		-
Revaluation	-		355
Outstanding, June 30, 2024	444,167	$	1,024
Total share-based payment liabilities outstanding, June 30, 2024	2,236,542	$	8,050

8. CREDIT FACILITIES

A continuity of the changes in the Credit Facilities outstanding is as follows:

		Senior Credit Facility(a)(1)		Equipment Finance Facility(b)	Total
Outstanding, December 31, 2023	$	38,222	$	-	38,222
Principal amount drawn-down		-		2,676	2,676
Principal amount repaid		-		(113)	(113)
Capitalized interest		2,863		-	2,863
Amortization of deferred financing charges		312		-	312
Foreign exchange (gain) loss		1,357		-	1,357
Balance, June 30, 2024	$	42,754	$	2,563	45,317

(1) As at June 30, 2024, the Company has drawn US$29,500 of principal and accumulated US$5,980 of capitalized interest.

(a) Senior Credit Facility

The Company's senior secured project credit facility ("**Senior Credit Facility**") includes the following key terms:

- US$150 million non-revolving facility with a maturity date of September 30, 2030.
- Interest shall accrue at a floating rate of 6.95% per annum plus the greater of the Term 3 Month Secured Overnight Financing Rate ("**SOFR**") and 2.00% ("**Interest Rate Floor**") per annum. Interest costs may be deferred and capitalized until the end of the Availability Period, which is to be either 18 months following the Company meeting certain drawdown conditions or June 30, 2025, whichever is earlier. After the Availability Period ceases, any remaining undrawn funds may, at the lender's discretion, be deposited into a blocked proceeds account, which would be available to the Company subject to certain conditions.
- Quarterly principal repayments will commence on June 30, 2026, in the amount of 4% of the outstanding principal balance at each repayment date.
- The Company may elect to prepay the outstanding principal amount in whole, including all accrued interest, at any time subsequent to December 20, 2025 (the "**Voluntary Prepayment Option**"). The Company would incur a premium of between 3% and 4% of the total amount prepaid in exercising the Voluntary Prepayment Option on or before December 20, 2027, and a 0% premium thereafter.
- The Company's obligations under the Senior Credit Facility are guaranteed by the realizable value of the Company's assets. In addition, the Company is expected to maintain compliance with specified covenants (including financial covenants). The Company was in compliance with all covenants contained in the Senior Credit Facility as at June 30, 2024.

(b) Equipment Finance Facility

On September 7, 2023, the Company announced it secured an equipment finance arrangement ("**Equipment Finance Facility**") with Sandvik Financial Services Canada. The Equipment Finance Facility is intended to cover the initial battery electric vehicle mining fleet and essential components such as charging stations and batteries used for the continued exploration, development and operation of the McIlvenna Bay Project. The Equipment Finance Facility contains the following key terms:

- Up to $67 million in draws, which will be initiated, at the Company's election, as equipment is delivered to the project site.
- Interest shall accrue at a fixed rate of 3.20% per annum plus the 5-year Canadian overnight index swap rate at the date of the draw.
- Interest and principal repayments on drawn amounts will commence immediately over a 60-month period.

9. SHARE CAPITAL

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares, non-voting shares and preference shares with no par value. At June 30, 2024, 305,661,882 common shares and 27,777,778 non-voting shares were issued and outstanding.

The rights, privileges, restrictions and conditions of the non-voting shares are identical to those of the common shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder meeting and that the non-voting shares may be converted, at the option of the holder, on a one-to-one basis into common shares. Once a non-voting share is converted into a common share, it shall have all the rights and privileges that attach to the common shares.

(Expressed in thousands of Canadian dollars, except share information)

The subscription agreement entered into between the Company and affiliates of Fairfax Financial Holdings Limited (collectively, "**Fairfax**") in 2021, contains certain restrictions on the conversion of the 27,777,778 non-voting shares held by Fairfax. Such non-voting shares can only be converted to common shares upon a change of control event or upon disposal of the non-voting shares by Fairfax.

(b) Private placement financings

On March 27, 2023, the Company completed a private placement financing totaling 24,687,300 common shares for gross proceeds of $100,000. The Company issued 20,270,300 common shares at a price of $3.70 per share for gross proceeds of $75,000 and 4,417,000 common shares on a flow-through basis at a price of $5.66 per flow-through share for gross proceeds of $25,000. Share issue costs totaled $4,971.

As a result of subscribers paying a premium for the flow-through shares, the Company allocated $8,657 of the gross proceeds of the flow-through shares to the flow-through share premium liability and the remaining $16,343 to share capital.

(c) Stock options

The Company's LTIP allows the Company to grant various awards, including stock options, to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding. The exercise price, term and vesting period of each option are determined by the Board of Directors within regulatory guidelines.

A continuity of the stock options is as follows:

	Number of options		Weighted average exercise price
Outstanding, December 31, 2023	16,148,335	$	1.39
Granted	2,087,500		3.99
Exercised	(898,402)		1.04
Forfeited	(260,000)		3.39
Outstanding, June 30, 2024	17,077,433		1.69

The fair value of the stock options that were granted during the six months ended June 30, 2024 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.50% - 3.88%
Expected stock price volatility	74%
Expected dividend yield	0.00%
Expected option life in years	5.0

(Expressed in thousands of Canadian dollars, except share information)

The following stock options were outstanding as at June 30, 2024:

Outstanding	Exercisable		Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
550,000	550,000		0.34	December 10, 2024	0.50
675,000	675,000		0.09	April 3, 2025	0.76
6,000,000	6,000,000		0.20	November 7, 2025	1.36
500,000	500,000		1.15	April 5, 2026	1.76
975,000	975,000		1.05	April 21, 2026	1.81
600,000	600,000		1.33	May 5, 2026	1.85
8,333	8,333		2.13	September 13, 2026	2.21
200,000	200,000		2.02	September 28, 2026	2.25
125,000	125,000		2.43	October 18, 2026	2.30
75,000	75,000		2.64	January 17, 2027	2.55
200,000	133,333		2.22	January 31, 2027	2.59
1,728,268	1,143,268		2.35	March 17, 2027	2.71
250,000	183,333		2.02	May 16, 2027	2.88
25,000	25,000		2.66	June 13, 2027	2.95
75,000	50,000		2.47	June 16, 2027	2.96
13,333	-		2.46	August 22, 2027	3.15
25,000	8,333		2.48	September 19, 2027	3.22
25,000	8,333		2.25	October 24, 2027	3.32
1,344,999	454,999		3.34	January 20, 2028	3.56
200,000	66,667		3.22	February 23, 2028	3.65
400,000	133,333		3.43	May 11, 2028	3.87
100,000	50,000		3.42	June 1, 2028	3.92
25,000	8,333		3.72	May 1, 2028	3.84
150,000	-		3.54	July 11, 2028	4.03
125,000	-		3.88	August 23, 2028	4.15
30,000	-		3.90	August 30, 2028	4.17
250,000	-		3.89	September 21, 2028	4.23
250,000	-		4.33	November 1, 2028	4.34
175,000	-		4.02	December 8, 2028	4.44
50,000	-		4.15	January 29, 2029	4.59
1,602,500	-		3.91	March 1, 2029	4.67
125,000	-		4.13	March 11, 2029	4.70
200,000	-		4.50	May 29, 2029	4.92
17,077,433	11,973,267	$	1.69		2.40

(d) Share purchase warrants

The following warrants were outstanding at June 30, 2024:

Warrants outstanding and exercisable	Expiry Date	Weighted average exercise price
5,714,285	November 25,2025	0.25

10. FINANCIAL INSTRUMENTS

The Company examines the various financial instruments to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk (including interest rate, currency and other price risk). The risk related to financial instruments is managed by senior management of the Company under policies and directions approved by the Board. Relevant policies include the Treasury Management Policy and the approval allowing a portion of the Company's cash to be held in US dollars at the discretion of the Chief Executive

Officer and the Chief Financial Officer. The Board monitors these policies on an annual basis. The Company's Board has not approved the use of derivative financial products.

(a) Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value as described below:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted market prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

Financial Instruments	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable and other	Amortized cost
Investments	Fair value through other comprehensive income
Restricted cash	Amortized cost
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Credit Facilities	Amortized cost
Embedded derivative in the Senior Credit Facility	Fair value through profit and loss

The fair value of the Company's financial instruments carried at amortized cost approximates their carrying values due to their short-term nature or, in the case of the credit facilities, due to the instrument bearing interest at a rate that approximates a market rate of interest.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligation. The credit risk associated with cash and cash equivalents and restricted cash is minimized as these financial instruments are held with major Canadian commercial banks. In respect of accounts receivable, the Company is not exposed to significant credit risk as the majority consists of amounts due from Canadian governmental agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has in place a planning and budgeting process to determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity.

A maturity analysis of the Company's financial liabilities, including interest, and its contractual commitments is set out below:

(Expressed in thousands of Canadian dollars, except share information)

(*Millions of dollars*)	Total	Due in less than one year	Due in one to three years	Due in four to five years	Due after five years
Accounts payable and accrued liabilities	32.2	32.2	-	-	-
Leases	3.7	3.7	-	-	-
Construction commitments	14.0	14.0	-	-	-
Credit Facilities	51.1	0.5	10.0	10.8	29.8

As at June 30, 2024, the Company is required to spend $1.7 million of qualifying exploration expenditures by December 31, 2024 to satisfy the remaining flow-through share premium liability of $0.6 million.

(d) Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk through the interest accrued on the Credit Facilities and interest earned on cash and cash equivalents. A 1% change in short-term interest rates would not have a material impact on net loss or comprehensive loss.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company is exposed to foreign currency risk in terms of its US denominated cash (US$5.1 million) and Senior Credit Facility (US$35.5 million). A 10% change in foreign currency exchange rates would result in a $4.5 million change to other (income) expenses.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risks in terms of its investments, DSUs and RSUs. A 10% change in market prices would not have a material impact on net loss or comprehensive loss.

11. OTHER (INCOME) EXPENSE

The composition of the Other (income) expense for the three and six months ended June 30, 2024 and 2023 is as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Interest income	$ (2,576)	$ (1,241)	$ (5,333)	$ (1,689)
Interest expense	1,662	1,313	3,220	2,555
Foreign exchange (gain) loss	448	(554)	1,333	(309)
Flow-through share premium	(2,918)	(1,177)	(6,486)	(1,177)
Other	(26)	(24)	(28)	(32)
Total	$ (3,410)	$ (1,683)	$ (7,294)	$ (652)

(Expressed in thousands of Canadian dollars, except share information)

12. RELATED PARTY TRANSACTIONS

Key management personnel at the Company are the current Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The Company's related party transactions for the three and six months ended June 30 were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Short-term benefits(1)	$ 687	$ 561	$ 1,355	$ 1,016
Directors' fees(2)	58	62	112	125
Share-based payment expense (recovery)(3)	625	(156)	2,409	2,806
Total	$ 1,370	$ 467	$ 3,876	$ 3,947

(1) Short-term benefits consist of salaries and bonuses for key management personnel and fees paid to Gorilleo Advisors Limited, a company controlled by the CEO.

(2) Directors' fees consist of cash retainers paid to the directors.

(3) Share-based payment expense consists of RSUs, DSUs and stock options granted to key management personnel.

13. SUBSEQUENT EVENTS

On July 15, 2024 and July 17, 2024, the Company announced a series of brokered and non-brokered private placements for $360,004. The brokered private placement will consist of (i) up to 57,010,327 common shares of the Company at an issue price of $4.05 per common share, for gross proceeds of up to $230,892; and (ii) 4,501,874 common shares with each such common share to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (the "**FT Shares**"), with 2,906,977 FT Shares to be issued at a price of $6.88 per share and 1,594,897 FT Shares to be issued at a price of $6.27 per FT Share, for gross proceeds of up to $30,000 (the "**Brokered Offering**"). In addition, the Company announced a non-brokered private placement by Agnico Eagle Mines Limited, consisting of 24,472,052 common shares of the Company at an issue price of $4.05 for gross proceeds of $99,112 (the "**Non-Brokered Offering**" and together with the Brokered Offering, the "**Offerings**").

The Offerings will result in the issuance of a number of Common Shares greater than 25% of the Company's currently issued and outstanding Common Shares and, as a result, will require shareholder approval under the rules of the TSX. Additionally, the level of participation by an insider of the Company in the Brokered Offering, will result in such insider exceeding its pro rata shareholdings in the Company. The TSX has agreed to permit such increased level of participation on the basis that shareholder approval (excluding votes held directly or indirectly by the insider) for this is also obtained. As a result, the Offerings are expected to be completed in two tranches, with the second tranche occurring only if, and following, receipt of all requisite shareholder approvals.

The Company announced closing of the first tranche of the Offering on August 8, 2024. The completion of the second tranche is subject to certain additional conditions including but not limited to, the receipt of all necessary regulatory and other approvals, including that of the TSX and the shareholder approval.

Concurrently with the brokered and non-brokered private placements, the Company announced a term sheet for an upsize to its Senior Credit Facility from US$150,000 to US$250,000, subject to completion of all due diligence, definitive credit documentation and approval by Sprott's investment committee.

In addition, the Board of Directors have made the formal decision to proceed with the construction of the McIlvenna Bay Project. As a result, in the third quarter of 2024, the McIlvenna Bay exploration and evaluation assets will be reclassified to property, plant and equipment in the Company's statement of financial position.