Gold Mountain Mining Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED OCTOBER 31, 2023 AND 2022

(Unaudited – Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(Unaudited – Expressed in Canadian Dollars)

	Notes	October 31, 2023	January 31, 2023
Assets			
Current assets			
Cash		**$ 71,594**	$ 3,203,419
Trade and other receivables	4	**503,078**	2,618,634
Tax credit receivable	6	**341,608**	737,165
Inventory		**317,608**	35,049
Prepaid expenses and deposits	5	**102,113**	38,689
		1,336,001	6,632,956
Non-current assets			
Financial assets	10	**20,000**	-
Prepaid expenses and deposits	5	**20,571**	22,063
Property and equipment	6	**45,691,034**	38,069,876
Reclamation deposits		**1,290,761**	1,290,761
Total Assets		**$ 48,358,367**	$ 46,015,656
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,15	**$ 6,852,973**	$ 2,872,914
Short-term loans		**84,561**	82,379
Current portion of lease payable	8	**157,192**	31,337
Current portion of promissory note	9	**12,500**	2,861,160
Current portion of derivative liability	10	**340,711**	-
Other provision	11	**256,000**	256,000
		7,703,937	6,103,790
Non-current liabilities			
Promissory note	9	**1,000,000**	-
Lease payable	8	**158,431**	41,478
Derivative liability	10	**2,897,517**	-
Reclamation provision	11	**2,348,193**	2,230,989
Total Liabilities		**14,108,078**	8,376,257
Shareholders' Equity			
Share capital	12	**54,787,263**	54,745,984
Warrants reserve	12	**4,189,071**	6,319,393
Contributed surplus	12	**4,997,863**	3,001,665
Accumulated deficit		**(29,723,908)**	(26,427,643)
Total Shareholders' Equity		**34,250,289**	37,639,399
Total Liabilities and Shareholders' Equity		**$ 48,358,367**	$ 46,015,656

Nature of operations and going concern – Note 1
Commitments – Note 18
Subsequent events – Note 19

Approved on behalf of the Board:

Signed *"Keith Minty"*, Director   Signed *"David Tafel"*, Director

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

(Unaudited – Expressed in Canadian Dollars)

	Notes	Three Months Ended October 31, 2023	Three Months Ended October 31, 2022	Nine Months Ended October 31, 2023	Nine Months Ended October 31, 2022
Revenue	13	**$ 1,780,679**	$ 2,091,371	**$ 8,151,910**	$ 6,766,654
Cost of sales	14	**(4,465,016)**	(2,934,616)	**(9,541,437)**	(7,862,514)
Gross loss		**(2,684,337)**	(843,245)	**(1,389,527)**	(1,095,860)
Other operating expenses					
Management, director and consulting fees	15	**268,609**	505,125	**767,518**	991,671
General and administration		**91,767**	43,970	**228,733**	144,563
Investor relations		**22,589**	38,088	**83,866**	156,768
Marketing		**-**	156,260	**68,500**	430,296
Other expense	13	**-**	132,000	**-**	132,000
Professional fees		**90,998**	122,432	**357,204**	339,722
Regulatory and transfer agent fees		**4,255**	6,854	**43,919**	73,183
Share-based payments (adjustment)	12,15	**(40,705)**	175,103	**(88,443)**	1,245,115
Travel		**129**	1,262	**2,703**	2,465
Total other operating expenses		**(437,642)**	(1,181,094)	**(1,464,000)**	(3,515,783)
Loss from operations		**(3,121,979)**	(2,024,339)	**(2,853,527)**	(4,611,643)
Other items					
Other income		**-**	33,627	**-**	33,627
Finance income		**28,218**	4,019	**49,356**	12,347
Finance and accretion expense	8,9	**(49,254)**	(123,325)	**(241,383)**	(517,817)
Loss from revaluation of derivative liability	10	**(136,312)**	-	**(247,397)**	-
Recovery of flow-through share premium		**-**	-	**-**	177,666
Total other items		**(157,348)**	(85,679)	**(439,424)**	(294,177)
Loss before income tax		**(3,279,327)**	(2,110,018)	**(3,292,951)**	(4,905,820)
Income tax expense		**-**	-	**(3,314)**	-
Income and mining tax expense		**-**	-	**-**	-
Loss and comprehensive loss		**$ (3,279,327)**	$ (2,110,018)	**$ (3,296,265)**	$ (4,905,820)
Loss per share - basic and diluted		**$ (0.04)**	$ (0.02)	**$ (0.04)**	$ (0.06)
Weighted average number of common shares outstanding - basic and diluted		**88,137,171**	87,893,421	**88,084,451**	83,302,528

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

(Unaudited – Expressed in Canadian Dollars)

	Note	Number of shares		Share capital		Warrants reserve		Contributed surplus		Accumulated deficit		Total
Balance at January 31, 2022		71,014,144	$	36,213,153	$	4,562,511	$	3,772,386	$	(21,563,235)	$	22,984,815
Shares issued on exercise of warrants		658,027		1,197,913		(413,745)		-		-		784,168
Shares issued on exercise of options		196,000		301,554		-		(157,554)		-		144,000
Shares issued for RSUs		685,250		1,252,778		-		(1,252,778)		-		-
Shares issued for PSUs		540,000		760,497		-		(760,497)		-		-
Shares issued in public offering		14,800,000		16,305,357		2,194,643		-		-		18,500,000
Broker warrants		-		-		224,855		-		-		224,855
Share issuance costs		-		(1,381,955)		(186,007)		-		-		(1,567,962)
Share-based payments		-		-		-		1,290,098		-		1,290,098
Net loss for the period		-		-		-		-		(4,905,820)		(4,905,820)
Balance at October 31, 2022		87,893,421	$	54,649,297	$	6,382,257	$	2,891,655	$	(26,469,055)	$	37,454,154
Balance at January 31, 2023		**87,999,671**	**$**	**54,745,984**	**$**	**6,319,393**	**$**	**3,001,665**	**$**	**(26,427,643)**	**$**	**37,639,399**
Shares issued for RSUs	12	**45,000**		**29,955**		**-**		**(29,955)**		**-**		**-**
Shares issued for PSUs	12	**92,500**		**11,324**		**-**		**(11,324)**		**-**		**-**
Share-based payment adjustment	12	**-**		**-**		**-**		**(92,845)**		**-**		**(92,845)**
Expired warrants	12	**-**		**-**		**(2,130,322)**		**2,130,322**		**-**		**-**
Net loss for the period		**-**		**-**		**-**		**-**		**(3,296,265)**		**(3,296,265)**
Balance at October 31, 2023		**88,137,171**	**$**	**54,787,263**	**$**	**4,189,071**	**$**	**4,997,863**	**$**	**(29,723,908)**	**$**	**34,250,289**

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

(Unaudited – Expressed in Canadian Dollars)

	Nine Months Ended October 31,			
		2023		2022
Operating activities				
Net loss	$	**(3,296,265)**	$	(4,905,820)
Adjustments for non-cash items:				
Depletion and amortization		**563,965**		352,872
Share-based payments (adjustment)		**(86,469)**		1,296,185
Finance and accretion expense		**237,270**		509,843
Loss on revaluation of derivative liability		**247,397**		-
Recovery of flow-through share premium		**-**		(177,666)
Other expense		**-**		132,000
Changes in non-cash working capital items:				
Trade and other receivables		**2,115,557**		(711,453)
Prepaid expenses and deposits		**(61,932)**		53,517
Inventory		**(282,559)**		(242,902)
Accounts payable and accrued liabilities		**150,934**		392,647
Net cash flows used in operating activities		**(412,102)**		(3,300,777)
Investing activities				
Exploration and evaluation expenditures		**(27,708)**		(3,219,042)
Tax credit received		**553,567**		367,012
Mineral property expenditures		**(3,575,155)**		(5,479,237)
Deposits for exploration and evaluation expenditures		**-**		(8,290)
Increase in reclamation bonds		**-**		(421,098)
Purchase of building and equipment		**(353,768)**		(288,471)
Net cash flows used in investing activities		**(3,403,064)**		(9,049,126)
Financing activities				
Repayment of promissory note		**(2,526,304)**		(2,160,988)
Repayment of interest on promissory note		**(481,196)**		(839,012)
Lease payments		**(279,990)**		(23,503)
Proceeds from derivative instrument		**3,000,000**		-
Royalty payment		**(29,169)**		-
Proceeds from loan		**1,000,000**		-
Shares issued for cash, net of share issuance costs		**-**		17,416,541
Transaction costs on share issuances		**-**		(319,905)
Proceeds from exercise of warrants		**-**		784,168
Proceeds from exercise of options		**-**		144,000
Net cash flows provided by financing activities		**683,341**		15,001,301
Net (decrease) increase in cash		**(3,131,825)**		2,651,398
Cash, beginning of the period		**3,203,419**		2,557,764
Cash, end of the period	$	**71,594**	$	5,209,162
Other information				
Interest paid - cash	**$**	**1,882**	$	-
Taxes paid - cash	**$**	**3,314**	$	-

Supplemental cash flow information – Note 16

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gold Mountain Mining Corp. (the "Company" or "Gold Mountain") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on November 5, 2018. The registered head office and principal address of the Company is 1285 West Pender Street, Suite 1000, Vancouver, British Columbia, Canada, V6E 4B1. The Company's common shares trade on the Toronto Stock Exchange under the symbol "GMTN", on the Frankfurt Stock Exchange under the ticker "5XFA" and on the OTCQB Venture Market under the stock symbol "GMTNF".

The Company owns and operates the Elk Gold Mine ("Elk Mine") located in British Columbia, Canada, which began revenue generating mining operations during the year ended January 31, 2023. The Company considers itself to operate in a single segment, being the production of crushed ore, containing both gold and silver, mineral exploration and development of precious metal resources. The Company's principal product is crushed ore produced from the Elk Mine. The Company's assets and liabilities are all within Canada.

These condensed interim consolidated financial statements have been prepared by management on a 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 for at least twelve months from October 31, 2023. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption.

As of October 31, 2023, the Company had a working capital deficit of $6,709,544. For the nine months ended October 31, 2023, the Company generated net loss of $3,296,265, used cash from operating activities of $412,102, and used cash of $2,719,723 in investing and financing activities.

The ongoing operations and capital expenditures of the Elk Mine are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to operational performance, achieving targeted production levels and the price of gold or the Company's ability to raise additional financing. During the year ended January 31, 2023, the Company experienced challenges during commissioning with respect to both grade control and sampling processes, which resulted in lower than forecast ore production during initial ramp-up. To continue operations at the Elk Mine, the Company will need to improve operational performance and may require additional equity, debt or an alternative form of financing. While the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34, *Interim Financial Reporting*. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended January 31, 2023, which have been prepared in accordance with IFRS.

The accounting policies and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited annual consolidated financial statements for the year ended January 31, 2023.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on December 13, 2023.

(Unaudited – Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make accounting policy judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical accounting policy judgements and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in Note 3 of the Company's audited annual consolidated financial statements for the year ended January 31, 2023.

4. TRADE AND OTHER RECEIVABLES

As of:	**October 31, 2023**	January 31, 2023
Trade receivables	**$ 280,367**	$ 2,471,107
GST receivables	**214,463**	141,798
Other receivables	**8,248**	5,729
	$ 503,078	$ 2,618,634

5. PREPAID EXPENSES AND DEPOSITS

As at	**October 31, 2023**	January 31, 2023
Current:		
Prepaid investor relations	**$ 12,587**	$ 3,008
Prepaid insurance and other prepaids	**55,786**	-
Prepaid cost of sales	**33,740**	35,681
	$ 102,113	$ 38,689
Non-current:		
Deposits for exploration and evaluation expenditures	**$ 10,071**	$ 11,563
Other deposits	**10,500**	10,500
	$ 20,571	$ 22,063

(Unaudited – Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	Exploration and evaluation	Mineral property	Building and equipment	Total
Balance as at January 31, 2022	**$ 5,730,013**	**$ 20,485,585**	**$ 1,389,980**	**$ 27,605,578**
Additions	3,502,599	7,258,760	328,471	11,089,830
Depletion and amortization	-	(257,356)	(290,801)	(548,157)
Exploration tax credits	-	(453,849)	-	(453,849)
Change in estimate in reclamation provision	-	376,474	-	376,474
Balance as at January 31, 2023	**$ 9,232,612**	**$ 27,409,614**	**$ 1,427,650**	**$ 38,069,876**
As at January 31, 2023				
Cost	$ 9,232,612	$ 27,666,970	$ 1,803,100	$ 38,702,682
Accumulated amortization and depletion	-	(257,356)	(375,450)	(632,806)
Net book value	**$ 9,232,612**	**$ 27,409,614**	**$ 1,427,650**	**$ 38,069,876**
Balance as at January 31, 2023	**$ 9,232,612**	**$ 27,409,614**	**$ 1,427,650**	**$ 38,069,876**
Additions	33,210	7,362,402	880,741	8,276,353
Depletion and amortization	-	(211,711)	(352,254)	(563,965)
Exploration tax credits adjustment	-	(158,010)	-	(158,010)
Change in estimate in reclamation provision	-	66,780	-	66,780
Balance as at October 31, 2023	**$ 9,265,822**	**$ 34,469,075**	**$ 1,956,137**	**$ 45,691,034**
As at October 31, 2023				
Cost	$ 9,265,822	$ 34,938,142	$ 2,683,841	$ 46,887,805
Accumulated amortization and depletion	-	(469,067)	(727,704)	(1,196,771)
Net book value	**$ 9,265,822**	**$ 34,469,075**	**$ 1,956,137**	**$ 45,691,034**

During the nine-month period ended October 31, 2023, the Company capitalized $5,820,619 of stripping costs to mineral property. The Company claims BC Mineral Exploration Tax Credits ("BCMETC") for eligible expenditures incurred on its properties. The BCMETC is subject to adjustments due to reassessments. The balances and changes in tax credit receivable during the nine months ended October 31, 2023 and year ended January 31, 2023 are as follows:

As of:	**October 31, 2023**	January 31, 2023
Balance, beginning	**$ 737,165**	$ 650,328
Adjustments	**(183,598)**	(223,055)
Collected	**(553,567)**	(427,273)
Claimed	**341,608**	737,165
	$ 341,608	**$ 737,165**

(Unaudited – Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT - *continued*

The following table summarizes the cumulative costs capitalized as exploration and evaluation assets as of October 31, 2023 and January 31, 2023 by their nature. Exploration and evaluation asset balances as of October 31, 2023 and January 31, 2023 relates to ongoing exploration programs outside of the mine development zone.

	Nine Months Ended October 31, 2023	Year Ended January 31, 2023
Balance, beginning of period	**9,232,612**	5,730,013
Expenditures during the period:		
Assaying	**1,815**	149,709
Camp operations	**208**	368,329
Consulting	**-**	63,880
Drilling	**-**	1,754,812
Depletion and amortization	**-**	37,463
Geological	**6,063**	440,598
Maintenance	**31,500**	430,051
Share-based payments (adjustment)	**(6,376)**	38,073
Travel and accommodation	**-**	219,684
Balance, end of period	**$ 9,265,822**	**$ 9,232,612**

Elk Mine Acquisition and Royalties

On May 16, 2023, the Company made its final $3,000,000 property payment to Sandbox Royalties Corp. (“Sandbox”) discharging all obligations owed relating to the Company’s purchase of the Elk Mine. The Company acquired the Elk Mine for total consideration of $10,000,000 from Equinox Gold Corp. (“Equinox”) for a $1,000,000 cash deposit and a $9,000,000 interest-free promissory note (the “Promissory Note”). Equinox assigned its interest in the loan to Sandbox in May 2022. The Promissory Note was secured over Gold Mountain’s interest in the Elk Mine. Pursuant to the terms on the Promissory Note, the Company made payments of $3,000,000 in May 2021, 2022, and 2023 (see Note 9).

Production from the Elk Mine is subject to a 2% net smelter return (“NSR”) royalty held by Star Royalties Ltd. A further 1% NSR royalty is payable to Don Agur on production from the Agur Option block, which is outside any of the currently identified mineralized zones.

During the nine-month period ended October 31, 2023, the Company entered into a royalty purchase agreement with Silver Crown Royalties Inc. (“SCR”) for a percentage of the Company’s aggregate gross proceeds of silver (see Note 10 for details).

Impairment Analysis

As a single asset business, the Company’s market capitalization is directly related to the Elk Mine’s performance. Management of the Company concluded that an impairment indicator existed at October 31, 2022, as the Company’s market capitalization fell below the carrying value of net assets. Accordingly, the Company estimated the recoverable amount of the cash generating unit (“CGU”) and compared it to the carrying value of the CGU. The recoverable amount of the CGU was based on a fair value less cost of disposal method using a discounted cash flow model. Upon completion of the Company’s impairment assessment, it was determined that the Elk Mine CGU was not impaired. For further details of the assessment refer to the Company’s audited consolidated financial statements for the years ending January 31, 2023 and 2022.

The Company completed further assessments at January 31, 2023 and October 31, 2023 and did not identify any additional impairment indicators.

(Unaudited – Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of:		**October 31, 2023**		January 31, 2023
Accounts payable	**$**	**6,348,910**	$	2,125,848
Amounts due to related parties (Note 15)		**290,222**		363,848
Accrued liabilities		**213,841**		383,218
	$	**6,852,973**	$	2,872,914

8. LEASES PAYABLE

		Nine Months Ended October 31, 2023		Year Ended January 31, 2023
Balance, beginning of period	**$**	**72,815**	$	93,680
IFRS 16 lease obligation recognition		**496,972**		-
Principal payments		**(279,990)**		(31,337)
Financing costs		**25,826**		10,472
Balance, end of period		**315,623**		72,815
Current portion of lease payable		**(157,192)**		(31,337)
Non-current portion of lease payable	**$**	**158,431**	$	41,478

During the nine months ended October 31, 2023, the Company entered into new lease agreements for property and equipment valued at $496,972. The lease terms ranged between two and four years and the lease obligation was determined by discounting future lease payments at an incremental borrowing rate of 12%.

9. PROMISSORY NOTE

On May 16, 2019, the Company entered into a secured promissory note agreement with Equinox (subsequently assigned to Sandbox) in the amount of $9,000,000 with respect to the purchase of 100% of the common shares of Elk Gold Mining Corp., which is the corporate entity that owns the Elk Mine. The Promissory Note was non-interest bearing and was a direct first ranking secured obligation of the Company in priority to all current and future debt and other liabilities of the Company and in priority to all equity securities of the Company of any nature whatsoever.

On May 16, 2019, the fair value of the Promissory Note was $5,527,813, calculated by discounting the future cash payments at an effective interest rate of interest of 18%.

As of October 31, 2023, the carrying value of the Promissory Note was $Nil (January 31, 2023 - $2,861,160). During the three and nine months ended October 31, 2023, the Company incurred interest accretion of $nil and $138,840 on the Promissory Note (three and nine months ended October 31, 2022 - $111,555 and $474,334).

Pursuant to the terms of the Promissory Note, the Company made payments of $3,000,000 in May 2021, 2022, and 2023. On May 16, 2023, the Company made its final $3,000,000 property payment to Sandbox discharging all obligations owed relating to the Company's purchase of the Elk Mine (Note 10).

9. PROMISSORY NOTE - *continued*

On September 13, 2023, Bayshore Minerals Incorporated ("Bayshore"), the Company's wholly owned subsidiary, entered into a secured promissory note agreement ("Hedge Promissory Note") with Hedge Minerals Corp. ("Hedge") in the amount of $1,000,000. The Hedge Promissory Note bears an annual interest of 15% which is payable on the first day of each month in arrears. The principal and unpaid interest are due on September 13, 2025. In the event of default, the outstanding amount is due and payable immediately. The Hedge Promissory Note is a direct first ranking obligation of Bayshore in priority to all current and future debt and other liabilities of Bayshore and in priority to all equity securities of Bayshore of any nature whatsoever. If Bayshore defaults on the payment of the promissory note, Hedge may take possession of the Elk Gold Mining Corp.'s common shares.

As of October 31, 2023, the carrying value of the Hedge Promissory Note was $1,012,500 (January 31, 2023 - $Nil). During the three and nine months ended October 31, 2023, the Company recorded interest of $20,000 on the Hedge Promissory Note (three and nine months ended October 31, 2022 - $Nil).

10. DERIVATIVE LIABILITY

In May 2023, the Company entered into a royalty purchase agreement with SCR, whereby SCR will receive 90% of the aggregate gross proceeds of silver sold from the Company's Elk Mine. A summary of the key terms and conditions follows.

The Company received cash of $2,500,000 and 250,000 units of SCR at a deemed price of $0.20 per unit, with each unit consisting of one common share in the capital of SCR and one-half of one SCR share purchase warrant exercisable to acquire one additional SCR common share for a period of 24 months from the date of issuance thereof at an exercise price of $0.40 (collectively, the "Non-cash consideration").

Additionally, pursuant to the terms of the royalty purchase agreement, SCR may be required to pay the Company up to eight bonus payments of $500,000 each, for possible bonus payments totaling $4,000,000, upon the Company achieving certain production milestones ("Production Bonuses"). The Production Bonuses are payable in cash while SCR is a private company and in the event SCR becomes a public company, SCR will have the option to pay the Production Bonuses in cash or SCR common shares. Gold Mountain received the first Production Bonus payment of $500,000 on July 24, 2023.

The Production Bonuses are payable on the Company achieving each of the production milestones set forth below (calculated as defined in the agreement):

- Sale of 6,666 contained ounces of silver on an annualized basis (paid on July 24, 2023);
- Sale of 8,888 contained ounces of silver on an annualized basis;
- Sale of 11,110 contained ounces of silver on an annualized basis;
- Sale of 13,332 contained ounces of silver on an annualized basis;
- Sale of 15,554 contained ounces of silver on an annualized basis;
- Sale of 17,776 contained ounces of silver on an annualized basis;
- Sale of 19,998 contained ounces of silver on an annualized basis; and
- Sale of 22,220 contained ounces of silver on an annualized basis.

The Company is also entitled to certain bonus payments in the event Gold Mountain files an updated technical report which discloses aggregate measured, indicated, and inferred silver ounces contained at the Elk Mine in excess of 2,210,000 ounces, based on the lesser of (i) $1.00; and (ii) 20% of the then average silver price, in respect of each ounce of silver contained at the Elk Mine disclosed in the updated technical report in excess of 2,210,000 ounces.

The Company retains the right to repurchase 50% of the silver royalty at any time by making a payment in the amount of the purchase price and any bonuses paid to the Company at the time of this election.

(Unaudited – Expressed in Canadian Dollars)

10. DERIVATIVE LIABILITY *- continued*

Management concluded that the royalty purchase agreement is a hybrid financial instrument with a liability host instrument and embedded derivatives; it was designated to be measured at FVTPL and measured at fair value using Level 2 of the fair value hierarchy. The valuation is based on the discounted cash flows by reference to the mine plan and forecasted silver prices over the life of the mine with the following significant assumptions:

Long term silver price per ounce	US$	23.00
USD-CAD exchange rate		1.35:1

The significant estimation uncertainty exists as there are no comparable marketable instruments available. The change in long term silver price per ounce by +/- 5% may lead to change in value of the derivative liability by +/- $8,500.

The derivative liability continuity for the nine months ended October 31, 2023 is as follows:

			Nine Months Ended January 31, 2023
Balance, January 31, 2023		$	**-**
Cash proceeds received, including $500,000 bonus			**3,000,000**
Non-cash consideration received	(i)		**20,000**
Royalty payment			**(29,169)**
Loss on revaluation of derivative liability			**247,397**
Balance, October 31, 2023			**3,238,228**
Current portion of derivative liability			**340,711**
Non-current portion of derivative liability		**$**	**3,578,939**

(i) The Company classified the non-cash consideration, valued at $20,000 at inception and October 31, 2023, as financial assets at fair value through profit or loss ("FVTPL") in the condensed interim consolidated statements of financial position. The valuation of equity instruments held for trading is determined by reference to unobservable inputs and measured at fair value using Level 3 the fair value hierarchy.

11. RECLAMATION AND OTHER PROVISIONS

Reclamation Provision

The reclamation provision represents the present value of estimated costs for required future reclamation and restoration activities. These activities include removal of site structures and infrastructure, recontouring and revegetation of previously mined areas and the management of water and water quality in and around the site. Most of the reclamation and site restoration expenditures are expected to occur near the end of, or after, the life of mine.

As of October 31, 2023, the reclamation provision was calculated using a discount rate of 3.29% and an inflation rate of 2.00%. The reclamation provision increased by $117,204 due to changes in estimates of reclamation costs and accretion.

Other Provision

During the year ended January 31, 2023, the Company received an order from the Ministry of Energy, Mines and Low Carbon Innovation ("EMLI") to relocate waste rock stored at the Elk Mine's east waste rock storage facility ("EWRSF"). In May 2023, the Company received an updated inspection order from EMLI, which continued to require the relocation of the EWRSF. In response to the orders, Gold Mountain plans to include the permanent storage of material from the EWRSF in its expansion permit amendment application. The Company anticipates the permit expansion amendment process will continue through the year ended January 31, 2024. An administrative penalty could be administered by EMLI as a result of the order.

(Unaudited – Expressed in Canadian Dollars)

11. RECLAMATION AND OTHER PROVISIONS - *continued*

Other Provision - *continued*

The estimated costs to mitigate or complete the work ranges from a nominal amount to $1.6 million. Management applied a probability weighted average methodology to estimate the provision by considering the likelihood of each outcome. The critical judgments made in estimating the provision that create a high degree of estimation uncertainty are (i) estimated costs to mitigate/fulfill the order, and (ii) weighting assigned to each possible outcome.

Based on this assessment, as of January 31, 2023 and October 31, 2023, the Company accrued a provision of $256,000 associated with estimated costs to be incurred as a result of this issue. The provision will be reviewed at each reporting period as more information becomes available.

12. SHARE CAPITAL

Authorized and Issued Share Capital

As of October 31, 2023 and January 31, 2023, the Company had 88,137,171 and 87,999,671 issued and fully paid common shares outstanding, respectively. The authorized share capital consists of an unlimited number of common shares and preferred shares issuable without par value.

During the nine months ended October 31, 2023, 92,500 vested Performance Share Units ("PSUs") with a fair value of $11,324 and 45,000 vested Restricted Share Units ("RSUs") with fair value or $29,955 were converted to common shares.

Warrants

The changes in warrants during the nine months ended October 31, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance as at January 31, 2023	16,142,796	1.82
Expired	(3,932,058)	2.66
Balance as at October 31, 2023	12,210,738	1.55

Warrants outstanding and exercisable as of October 31, 2023 is as follows:

Number of Warrants	Exercise Price ($)	Expiry Date
1,108,596	1.20	December 23, 2023
3,702,142	1.25	February 23, 2024
7,400,000	1.75	April 21, 2024
12,210,738		

The weighted average contractual life remaining on the warrants is 0.40 years as of October 31, 2023.

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL - *continued*

Options

The changes in stock options during the nine months ended October 31, 2023 is as follows:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance as at January 31, 2023	5,081,096	0.80
Granted	270,000	0.15
Expired	(375,000)	2.03
Cancelled	(902,295)	0.55
Balance as at October 31, 2023	4,073,801	0.70

Stock options outstanding and exercisable as of October 31, 2023 are as follows:

Number of Stock Options			
Outstanding	**Exercisable**	**Exercise Price ($)**	**Expiry Date**
90,910	90,910	0.10	January 25, 2024
200,000	200,000	2.00	October 15, 2024
1,460,000	1,460,000	0.25	February 1, 2025
314,141	314,141	0.25	July 30, 2025
863,750	863,750	0.90	January 14, 2026
185,000	185,000	1.20	April 9, 2026
800,000	637,500	1.25	April 30, 2027
110,000	27,500	0.13	July 20, 2028
25,000	12,500	0.09	September 18, 2028
25,000	12,500	0.09	September 18, 2028
4,073,801	**3,803,801**		

The weighted average contractual life remaining on the stock options is 2.09 years as of October 31, 2023.

Restricted Share Units ("RSU") and Performance Share Units ("PSU")

The continuity of RSUs and PSUs for the nine months ended October 31, 2023 is as follows:

	Number of RSUs	Number of PSUs
Balance as at January 31, 2023	321,500	245,000
Issued	110,000	-
Cancelled	(195,000)	(135,875)
Converted	(45,000)	(92,500)
Balance as at October 31, 2023	191,500	16,625

Share-Based Compensation

On January 14, 2021, the Company adopted a new equity incentive compensation plan ("New Plan") which provides for the granting of options which equal a maximum of 10% of the Company's issued and outstanding common shares at any given time. The New Plan also provides for the issuance of up to 4,800,000 fixed share awards which include Deferred Share Units ("DSU"), RSUs and PSUs.

(Unaudited – Expressed in Canadian Dollars)

12. SHARE CAPITAL - *continued*

Share-Based Compensation - *continued*

During the nine-month period ended October 31, 2023, the Company granted 270,000 stock options (nine-month period ended October 31, 2022 – 1,080,000). The fair value of options granted was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	Nine Months Ended October 31,	
	2023	2022
Exercise price	**$0.88**	$1.25
Risk-free interest rate	**3.36%**	2.62%
Expected life	**5 years**	5 years
Estimated volatility	**87.15%**	78.53%
Dividend rate	**N/A**	N/A
Fair value per option	**$0.07**	$0.57

Share based payments for vested stock options are as follows:

	Three Months Ended October 31,		**Nine Months Ended October 31,**	
	2023	2022	**2023**	2022
Share-based payment expense (adjustment)	**$ (3,523)**	$ 88,024	**$ 47,809**	$ 344,128
Cost of sales	**-**	6,750	**10,043**	25,441
Exploration and evaluation asset	**-**	11,257	**1,333**	15,666
	$ (3,523)	$ 106,031	**$ 59,185**	$ 385,235

The Company intends to settle RSUs and PSUs in equity and each may be granted to directors, consultants, officers and employees of the Company. Share-based payment amounts for RSUs are recognized based on the share price of the Company's common shares on the grant date multiplied by the number of RSUs expected to vest and recognized ratably over the vesting period, with a corresponding credit to the contributed surplus. Share-based payment amounts for PSUs are determined by calculating the fair value of the PSUs using the Black-Scholes option pricing model and recognized ratably over the vesting period, with a corresponding credit to the contributed surplus. Adjustments to the number of RSUs and PSUs expected to vest are recognized in the current year.

Share based payments for vested RSUs and PSUs are as follows:

	Three Months Ended October 31,		**Nine Months Ended October 31,**	
	2023	2022	**2023**	2022
Share-based payment expense (adjustment)	**$ (37,182)**	$ 75,920	**$ (136,252)**	$ 859,880
Cost of sales	**-**	12,936	**(8,069)**	51,070
Mineral property	**-**	-	**-**	(43,611)
Exploration and evaluation asset	**-**	9,220	**(7,709)**	37,523
	$ (37,182)	$ 98,076	**$ (152,030)**	$ 904,862

13. REVENUE

The Company's primary source of revenue is the sale of crushed ore from its Elk Mine. The Company has a contract with one customer for its crushed ore. Pursuant to the terms of this agreement, final settlement pricing of ore delivered will be determined based on the monthly average of the published gold price in the fourth month after delivery of ore. Gold Mountain records revenue based on the expected gold price receivable four months following delivery and adjustments are made as actual results are known. All the Company's sales are considered to occur in one demographic market, Canada.

(Unaudited – Expressed in Canadian Dollars)

14. COST OF SALES

	Three Months Ended October 31,				Nine Months Ended October 31,			
		2023		2022		**2023**		2022
Site operating costs	**$**	**4,294,486**	$	2,786,489	**$**	**9,012,977**	$	7,467,319
Depletion and amortization		**170,530**		135,191		**526,486**		344,125
Share-based payments		**-**		12,936		**1,974**		51,070
	$	**4,465,016**	**$**	**2,934,616**	**$**	**9,541,437**	$	7,862,514

15. RELATED PARTY TRANSACTIONS

The Company has identified CEO and former Vice President Permitting (Mr. Ronald Woo), Former CEO and President (Mr. Kevin Smith), CFO (Mr. Simon Buckett), Former CFOs (Mr. Braydon Hobbs and Mr. Paulo Santos), Former COO (Mr. Grant Carlson), Corporate Secretary (Sara Knappe) and Former General Counsel, Head of Indigenous Relations and Corporate Secretary (Mr. Alex Bayer) and the Company's former and directors as its key management personnel. All related party transactions were incurred in the normal course of operations and are recorded at the amount agreed upon by the related parties.

During the nine months ended October 31, 2023 and 2022, the following amounts were incurred for key management personnel of the Company:

	Three Months Ended October 31,				Nine Months Ended October 31,			
		2023		2022		**2023**		2022
Management, director and consulting fees	**$**	**177,845**	$	467,875	**$**	**704,454**	$	868,125
Share-based payments (adjustment)		**(41,579)**		223,327		**(104,868)**		709,422
	$	**136,266**	$	691,202	**$**	**599,586**	$	1,577,547

During the nine months ended October 31, 2023, 45,000 of vested RSUs were converted into common shares of the Company for key management personnel (nine months ended October 31, 2022 – 540,000 of vested PSUs and 163,750 of vested RSUs).

The following amounts due to related parties are unpaid director fees, management fees and expense reimbursements included in trade payables and accrued liabilities (Note 7). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at:		**October 31, 2023**		January 31, 2023
CEO (formerly VP - Permitting and President)	**$**	**65,502**	$	76,857
CFO		**10,471**		-
Directors		**4,761**		14,506
Corporate Secretary		**5,000**		-
Former CEO and President		**54,444**		154,944
Former COO		**91,952**		102,324
Former directors		**42,300**		-
Former CFOs		**15,792**		-
Former directors of subsidiary		**-**		15,217
	$	**290,222**	$	363,848

(Unaudited – Expressed in Canadian Dollars)

16. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions that occurred during the nine months ended October 31, 2023 and 2022 are as follows:

	Nine Months Ended October	
	2023	2022
Non-Cash Transactions:		
Broker warrants	**$ -**	$ 224,855
Vested PSUs and RSUs	**41,279**	2,013,275
Non-cash consideration received from Silver Crown Royalties Inc.	**20,000**	-
Reclamation provision	**66,780**	578,061
Addition to right-of-use assets classified as property and equipment	**496,972**	-
Recognition of lease liabilities	**(496,972)**	-
Tax credit receivable adjustment	**(158,010)**	(453,849)
Share issuance costs in accounts payable and accrued liabilities	**-**	-
Exploration and evaluation expenditures reclassified from prepaid expenses and deposits	**-**	50,000
Mineral property expenditures reclassified from prepaid expenses and deposits	**-**	91,380
Building and equipment expenditures reclassified from prepaid expenses and deposits	**-**	40,000
Exploration and evaluation expenditures in accounts payable and accrued liabilities	**11,877**	97,874
Mineral property expenditures in accounts payable and accrued liabilities	**3,787,247**	112,194
Building and equipment expenditures in accounts payable and accrued liabilities	**30,000**	-
Share-based payment adjustment against mineral property expenditures	**-**	(43,610)
Share-based payment (adjustment) capitalized to exploration and evaluation asset	**(6,376)**	37,523
Depletion and amortization capitalized to exploration and evaluation asset	**-**	31,899

17. FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables (excluding GST/HST receivables), tax credit receivable, accounts payable and accrued liabilities and short-term loans approximate their fair value due to the relatively short-term nature of the instruments and are measured and reported at amortized cost. The promissory note and reclamation provision are measured and reported at amortized cost using the effective interest rate method. Lease liabilities are measured and reported at amortized cost using the incremental borrowing rate. These estimates are subjective and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumption could significantly affect the estimates.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

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 cash held in bank accounts and trade receivables. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one major bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company also has a significant credit risk related to its trade receivables as all of them are owed by one customer. To date, all outstanding trade receivable amounts have been collected.

17. FINANCIAL INSTRUMENTS - *continued*

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 aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its ability to raise equity capital or borrow debt and its holdings of cash (see Note 1).

Historically, the Company's principal source of funding has been the issuance of common shares for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to the necessary levels of funding.

The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 6,852,973	$ 6,852,973	$ 6,852,973	$ -	$ -
Short-term loans	84,561	84,561	84,561	-	-
Lease payable	315,623	590,984	157,192	433,792	-
Derivative liability	3,238,228	14,692,381	340,711	6,052,752	8,298,918
Promissory note	1,012,500	1,000,000	-	1,000,000	-
Total	**$ 11,503,885**	**$ 23,220,899**	**$ 7,435,437**	**$7,486,544**	**$ 8,298,918**

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: interest rate risk, foreign exchange risk and price risk and are disclosed as follows:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

Foreign exchange risk

The Company and its subsidiaries' functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As sale of ore is tied to gold and silver prices, and foreign exchange rate and royalty payments are based on proceeds from sale of ore the Company is exposed to fluctuating foreign exchange rates between US and Canadian dollars.

Price risk

The Company sells ore containing gold and silver at world market prices. The market prices of gold and to a lesser extent silver will be a primary driver of the Company's profitability and ability to generate both operating and free cash flow. The Company is an unhedged gold producer and gold and silver sales are subject to market prices. The Company has not entered into any hedge positions during the nine months ended October 31, 2023.

18. COMMITMENTS

On January 26, 2021, the Company entered into an Ore Purchase Agreement ("OPA") with New Gold Inc. ("New Gold") for a three-year term. Under the terms of the OPA, Gold Mountain will deliver up to 70,000 tonnes of ore per annum, to the mill located at New Gold's New Afton Mine situated 130 kilometers from the Elk Mine, in Kamloops, British Columbia. The OPA was effective upon the first delivery of ore to the New Afton Mine, which occurred in February 2022.

19. SUBSEQUENT EVENTS

On November 16, 2023, New Gold initiated a claw back request from the Company subsequent to its internal examination of historical assay results. Presently, the management is in the process of scrutinizing the provided estimation and acknowledges a notable level of uncertainty associated with the calculation. Consequently, no specific monetary value has been included or acknowledged in the condensed interim consolidated financial statements as of October 31, 2023, and for the nine-month period then ended. This decision is based on the recognition of the high degree of estimation uncertainty inherent in the evaluation process.

On November 29, 2023, the Company received notification from the ministry that it is to increase the reclamation bond by $2,040,800, bringing the bond to a total of $9,486,700. The Company's permit consultant estimates there is sufficient bonding in place at present to cover reclamation requirements and the Company intends to file an amending application to this notification.