



**CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Funds)

**For the Years Ended December 31, 2023 and 2022**



## Independent auditor's report

To the Shareholders of Newcore Gold Ltd.

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Newcore Gold Ltd. and its subsidiary (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

#### What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2023 and 2022;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were

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addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="261 575 769 638"><b>Assessment of impairment indicators of exploration and evaluation assets</b></p> <p data-bbox="261 669 850 795"><i>Refer to note 3 – Summary of significant accounting judgments and estimates and note 5 – Exploration and evaluation assets to the consolidated financial statements.</i></p> <p data-bbox="261 831 867 1686">The Company’s total exploration and evaluation (E&amp;E) assets as at December 31, 2023 amounted to \$41.9 million. At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to E&amp;E assets. If there are indicators of impairment, the recoverable amount of the E&amp;E asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2023.</p> <p data-bbox="261 1722 834 1812">We considered this a key audit matter due to the significance of the E&amp;E assets and the judgment made by management in assessing whether any</p>	<p data-bbox="899 575 1510 638">Our approach to addressing the matter included the following procedures, among others:</p> <ul data-bbox="899 653 1510 1703" style="list-style-type: none"><li data-bbox="899 653 1510 779">• Evaluated the reasonableness of management’s assessment of indicators of impairment related to E&amp;E assets, which included the following:<ul data-bbox="948 800 1510 1703" style="list-style-type: none"><li data-bbox="948 800 1510 957">– Obtained, for a sample of mining claims, by reference to government registries, evidence to support (i) the rights to explore the area and (ii) mining claims expiration dates.</li><li data-bbox="948 978 1510 1188">– Read the board of directors’ minutes and obtained budget approvals to evidence planned and budgeted substantive expenditure on further exploration for and evaluation of mineral resources in specific areas and to consider which mining claims are not expected to be renewed.</li><li data-bbox="948 1209 1510 1367">– Read the technical report to assess whether exploration for and evaluation of mineral resources in specific areas have not led to the discovery of commercially viable quantities of mineral resources.</li><li data-bbox="948 1388 1510 1703">– Assessed whether sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale and whether the Company has decided to discontinue the exploration for and evaluation of mineral resources activities in specific areas, based on evidence obtained in other areas of the audit.</li></ul></li></ul>



## Key audit matter

## How our audit addressed the key audit matter

indicators of impairment exist, which resulted in a high degree of auditor subjectivity in performing procedures to evaluate management's assessment.

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## Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's



report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other



matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Dean Larocque.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Vancouver, British Columbia  
April 17, 2024

**Newcore Gold Ltd.**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in Canadian Funds)  
**As at December 31**

	December 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,747,221	\$ 586,138
Short-term investment ( <i>Note 4</i> )	-	3,000,000
GST and other receivables	28,698	11,826
Prepaid expenses	<u>293,585</u>	<u>352,389</u>
	<b>4,069,504</b>	<b>3,950,353</b>
<b>Non-current assets</b>		
Property, plant and equipment	277,149	261,219
Exploration and evaluation assets ( <i>Note 5</i> )	<u>41,883,950</u>	<u>40,301,415</u>
	<u>\$ 46,230,603</u>	<u>\$ 44,512,987</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	\$ 170,245	\$ 380,517
<b>Non-current liability</b>		
Provision for bonus payment	<u>-</u>	<u>112,457</u>
	<u>170,245</u>	<u>492,974</u>
<b>Shareholders' equity</b>		
Share capital ( <i>Note 6</i> )	51,834,026	46,513,600
Share-based payments reserve	4,006,639	4,391,054
Warrants reserve	2,904,689	2,460,252
Accumulated other comprehensive income	3,093,092	4,009,424
Accumulated deficit	<u>(15,778,088)</u>	<u>(13,354,317)</u>
	<u>46,060,358</u>	<u>44,020,013</u>
	<u>\$ 46,230,603</u>	<u>\$ 44,512,987</u>

**On behalf of the Audit Committee:**

"Douglas Forster"

Director

"George Salamis"

Director

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

## Newcore Gold Ltd.

### CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Funds)

#### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Common shares		Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accumulated deficit	Total
	Number	Amount					
Balance – January 1, 2022	120,276,800	\$ 40,805,957	\$ 3,935,787	\$ 2,460,252	\$ 2,607,442	\$ (10,729,180)	\$ 39,080,258
Issuance of common shares:							
on public offering	16,700,000	5,010,000	-	-	-	-	5,010,000
Share issuance costs	-	(430,220)	-	-	-	-	(430,220)
Share-based compensation	-	-	1,045,631	-	-	-	1,045,631
Exercise of options	1,149,999	969,530	(432,031)	-	-	-	537,499
Exercise of performance share units	100,000	54,000	(54,000)	-	-	-	-
Exercise of restricted share units	149,998	104,333	(104,333)	-	-	-	-
Foreign currency translation	-	-	-	-	1,401,982	-	1,401,982
Net loss for the period	-	-	-	-	-	(2,625,137)	(2,625,137)
Balance – December 31, 2022	138,376,797	\$ 46,513,600	\$ 4,391,054	\$ 2,460,252	\$ 4,009,424	\$ (13,354,317)	\$ 44,020,013

	Common shares		Share-based payments reserve	Warrants reserves	Accum. other comprehensive income	Accumulated deficit	Total
	Number	Amount					
Balance – January 1, 2023	138,376,797	\$ 46,513,600	\$ 4,391,054	\$ 2,460,252	\$ 4,009,424	\$ (13,354,317)	\$ 44,020,013
Issuance of common shares:							
on public offering	33,333,332	4,555,563	-	444,437	-	-	5,000,000
Share issuance costs	-	(82,472)	-	-	-	-	(82,472)
Share-based compensation	-	-	462,920	-	-	-	462,920
Exercise of restricted share units	1,083,334	847,335	(847,335)	-	-	-	-
Foreign currency translation	-	-	-	-	(916,332)	-	(916,332)
Net loss for the period	-	-	-	-	-	(2,423,771)	(2,423,771)
<b>Balance – December 31, 2023</b>	<b>172,793,463</b>	<b>\$ 51,834,026</b>	<b>\$ 4,006,639</b>	<b>\$ 2,904,689</b>	<b>\$ 3,093,092</b>	<b>\$ (15,778,088)</b>	<b>\$ 46,060,358</b>

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



**Newcore Gold Ltd.****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Funds)

**FOR THE YEARS ENDED DECEMBER 31**

	<b>2023</b>	<b>2022</b>
<b>EXPENSES</b>		
Share-based compensation	\$ 377,058	\$ 867,735
Management fees	1,214,913	767,673
Shareholder relations, marketing and conferences	364,481	408,884
Accounting and audit fees	65,914	96,069
Travel	86,418	123,318
Office	87,063	100,624
Consultants	16,432	82,532
Insurance	63,219	59,164
Legal	27,214	28,600
Transfer agent and regulatory fees	108,345	34,781
Amortization	11,292	9,346
Foreign exchange loss	182,703	84,120
	<u>\$ 2,605,052</u>	<u>\$ 2,662,846</u>
<b>OTHER INCOME</b>		
Interest income	<u>(181,281)</u>	<u>(37,709)</u>
<b>Loss for the period</b>	<u>\$ 2,423,771</u>	<u>\$ 2,625,137</u>
Items that will be reclassified subsequently to profit or loss:		
Foreign currency translation	<u>916,332</u>	<u>(1,401,982)</u>
<b>Comprehensive loss for the period</b>	<u>3,340,103</u>	<u>1,223,155</u>
<b>Loss per share – basic and diluted</b>	<u>\$ 0.02</u>	<u>\$ 0.02</u>
<b>Weighted average number of shares outstanding:</b>		
<b>Basic and diluted</b>	<u>155,412,367</u>	<u>129,079,858</u>

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

**Newcore Gold Ltd.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Funds)  
**FOR THE YEARS ENDED DECEMBER 31**

	2023	2022
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Cash flows from operating activities:</b>		
Net loss for the period	\$ (2,423,771)	\$ (2,625,137)
Non-cash item:		
Amortization	11,292	9,346
Unrealized foreign exchange	29,862	154,484
Share-based compensation	377,058	867,735
Changes in non-cash working capital:		
Trade and other receivables	(16,872)	33,391
Prepaid expenses	58,804	(39,357)
Trade and other payables	(23,637)	(594,400)
	<u>(1,987,264)</u>	<u>(2,193,938)</u>
<b>Cash flows from investing activities:</b>		
Redemption of short-term investment	12,500,000	1,750,000
Purchase of short-term investment	(9,500,000)	-
Exploration and evaluation costs	(2,712,097)	(4,716,817)
Repayment of loan from related party	-	62,500
	<u>287,903</u>	<u>(2,904,317)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from share issuances	5,000,000	5,010,000
Share issuance costs	(82,472)	(430,220)
Exercise of stock options	-	537,499
	<u>4,917,528</u>	<u>5,117,279</u>
Effect of exchange rate on cash	<u>(57,084)</u>	<u>(207,893)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>3,161,083</b>	<b>(188,869)</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>586,138</b>	<b>775,007</b>
<b>Cash and cash equivalents – end of period</b>	<b>\$ 3,747,221</b>	<b>\$ 586,138</b>

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

**Newcore Gold Ltd.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Funds)  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**1. NATURE OF OPERATIONS**

Newcore Gold Ltd. (formerly Pinecrest Resources Ltd.) (“Newcore” or the “Company”) and its subsidiary engage principally in the advancement, and development of its 100% owned Enchi Gold Project (“Enchi” or the “Project”) in southwest Ghana. Newcore Gold Ltd., the parent, was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (British Columbia) on January 18, 2010. Newcore is a public company listed on the TSX Venture Exchange (the “Exchange”) (TSX-V: NCAU) and also trades on the OTCQX® Best Market in the United States (OTCQX: NCAUF). Its head office is located at 1560 - 200 Burrard Street, Vancouver, British Columbia, V6C 3L6.

The Board of Directors approved the consolidated annual financial statements for issue on April 17 2024.

**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The summary of significant accounting policies followed in the preparation of these consolidated financial statements is as follows:

Statement of compliance

These consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) effective for the Company’s reporting for the year ended December 31, 2023.

Basis of measurement

The financial statements have been prepared under the historical cost convention, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiary. The Company’s sole subsidiary is as follows:

<u>Entity Name</u>	<u>Property</u>	<u>Location</u>	<u>Ownership</u>
<u>Cape Coast Resources Limited</u>	<u>Enchi Gold Project</u>	<u>Ghana</u>	<u>100%</u>

A subsidiary is an entity over which the Company has control. The Company controls an entity when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date which control is transferred or acquired until the date that control ceases.

All intercompany transactions and balances have been eliminated on consolidation.

**Newcore Gold Ltd.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Funds)  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

Exploration and evaluation assets

Once a license to explore an area has been secured or an option agreement is signed and binding, property acquisition costs and expenditures on exploration and evaluation activities are capitalized to exploration and evaluation assets. Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Management reviews the exploration and evaluation assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. If the facts and circumstances suggest the carrying value exceeds the recoverable amount (where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use), the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss. Once an exploration and evaluation asset has been determined to be technically feasible and commercially viable and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction-in-progress within property, plant and equipment.

Stock option awards

The Company grants stock options to certain directors and employees of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting by increasing share-based payments reserve based on the number of awards expected to vest.

Share unit awards

Pursuant to the terms of its long-term incentive plan ("the Incentive Plan"), the Company can grant Restricted share units ("RSUs"), Deferred share units ("DSUs"), and Performance share units ("PSUs") (collectively, the "Share Unit Awards") to any director, officer, employee or consultant who is eligible to receive an award under the stock option plan and under the terms ascribed by the Board of Directors. Each Share Unit Award granted is exercisable into common shares for no additional consideration after the vesting conditions, as specified by the Board. The Share Unit Awards can be settled in cash or equity at the option of the Company. Equity-settled share unit awards are measured at fair value on the date of grant and the total fair value is amortized over the vesting period using a graded vesting approach. Cash-settled share unit awards are remeasured to fair value at each reporting date and the change in fair value is recognized as an expense. The expense is recognized in the statement of operations or capitalized in mining properties (granted to individuals on specific projects).

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair value. The proceeds from the issue of units are allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values. The fair value of the common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

**Newcore Gold Ltd.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Funds)  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

Income taxes

Income tax is recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Financial instruments

**Financial assets**

The Company classifies its financial assets into the following categories:

***Held at amortized cost***

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as amortized cost are subsequently measured at amortized cost using the effective interest method. Cash, short term investment and loan receivable and certain other assets are classified as and measured at amortized cost.

**Financial liabilities**

Financial liabilities are classified into the following:

***Held at amortized cost***

This category includes trade and other payables, which are recognized at amortized cost using the effective interest method.

**Newcore Gold Ltd.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Funds)  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)**

Currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates, known as the functional currency. The functional currencies of Newcore Gold Ltd. (parent) and Cape Coast Resources Limited (subsidiary) are the Canadian dollar and the US dollar respectively. The presentation currency of the consolidated financial statements is the Canadian dollar. The results and financial position of the subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the period-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in Other Comprehensive Income as cumulative translation adjustment.

On consolidation, exchange differences arising from the translation of the net investment in the foreign entity are taken to Other Comprehensive Income as Foreign Currency Translation Reserve. When a foreign operation is sold or control is lost, such exchange differences are recognized in the consolidated statement of loss as part of the gain or loss on sale.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reported years. Actual results could differ from those estimates. The most significant areas where management judgment is applied in these financial statements is the assessment of whether there are any indicators of impairment of exploration and evaluation assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exist to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2023.

**4. SHORT TERM INVESTMENT**

A guaranteed investment certificate ("GIC") with a principal value of \$nil (2022 - \$3,000,000) was held with a Canadian chartered bank as of December 31, 2022. The GIC outstanding at December 31, 2022 matured in July 2023 and was redeemable at any time without penalty.

**Newcore Gold Ltd.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Canadian Funds)  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

**5. EXPLORATION AND EVALUATION ASSETS**

Acquisition costs and exploration and evaluation expenditures associated with the Enchi Gold Project are as follows:

	<b>December 31, 2023</b>	December 31, 2022
<b>Acquisition costs</b>		
Balance, beginning of period	\$ 8,356,926	\$ 8,356,926
Balance, end of period	\$ 8,356,926	\$ 8,356,926
<b>Exploration and evaluation expenditures</b>		
Balance, beginning of period	\$ 28,073,336	\$ 23,366,723
Camp costs	287,776	370,048
Consulting	13,966	15,070
Drilling	195,057	1,725,113
Geological	413,658	663,072
General and administration	44,321	62,883
Management fees	-	185,264
Mining permits and licenses	36,119	93,199
Public relations	198	6,578
Resource estimate	185,242	102,534
Salaries and wages	1,018,363	1,044,692
Share-based compensation	85,862	177,896
Vehicle rental	205,849	260,264
Balance, end of period	\$ 30,559,747	\$ 28,073,336
Foreign exchange impact	2,967,277	3,871,153
Total exploration and evaluation assets	\$ 41,883,950	\$ 40,301,415

The Enchi Gold Project is subject to the following royalties:

- A 5% royalty on revenues due to the Government of Ghana;
- A 2% net smelter returns royalty (the “NSR”) on production from the Project held by Triple Flag Precious Metals Corp. (with 1% subject to a buy-back option for a lump sum payment of US\$3.5 million at any time held by Sandstorm Gold Ltd.);
- A payment of US\$10 per ounce of gold (held by Kinross Gold Corporation) on any new NI 43-101 Measured and Indicated Mineral Resource Estimate included in a Feasibility Study or any ounce of gold mined, whichever occurs first. Such amount would be payable in cash or, at the Company’s option, in common shares provided that such issuance would not result in the recipient holding more than 20% of the issued and outstanding shares of the Company.
- A 2% royalty, up to a maximum amount of USD\$500,000, on future production from one of the Enchi Gold Project licenses held by an arm’s length party.

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**5. EXPLORATION AND EVALUATION ASSETS – cont’d.**

Government of Ghana's participation in mining lease

Where a mineral right is for mining or exploitation, the Government of Ghana is entitled to a 10% free carried interest in the rights and obligations of the mineral operations in respect of which financial contribution shall not be paid by the Government of Ghana. The Company presently holds prospecting licenses, which do not entitle the Government of Ghana to a 10% free carried interest.

**6. SHARE CAPITAL**

The authorized share capital of the Company is comprised of an unlimited number of common and preferred shares without par value.

Private Placements

On June 28, 2023, the Company completed a non-brokered private placement. The Company issued a total of 33,333,332 units of the Company at a price of \$0.15 per unit for gross proceeds of \$5,000,000. Each unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant, with each full warrant entitling the holder thereof to purchase one common share of the Company at an exercise price of \$0.20 per common share at any time on or before June 28, 2024. Total share issue costs in connection with the private placement amounted to \$82,472, including \$25,125 paid to certain arm-length third parties as finders’ fees.

On July 12, 2022, the Company completed a bought deal prospectus offering. The Company issued a total of 16,700,000 common shares of the Company at a price of \$0.30 per common share for gross proceeds to the Company of \$5,010,000. Total share issue costs in connection with the offering amounted to \$430,220. Certain directors and management of the Company purchased an aggregate of 283,327 common shares pursuant to the offering.

Long-term Incentive Plan

Effective August 19, 2020, the Company adopted a long-term incentive plan (the “Incentive Plan”). The aggregate number of shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the Incentive Plan is fixed at 16,000,000, of which up to a maximum of 3,000,000 shares may be set aside for issue upon the exercise or redemption and settlement of Deferred Share Units (“DSUs”), Performance Share Units (“PSUs”), and Restricted Share Units (“RSUs”), collectively, the “Share Unit Awards”. The Share Unit Awards can be settled through a delivery of cash, common shares, or any combination thereof, at the sole discretion of the Board. As the Company intends to settle any vested Share Unit Award through the issuance of common shares, Newcore has accounted for these awards as equity-settled instruments. To date, the Company has not granted any DSUs under the Incentive Plan.

Stock Options

A summary of the Company’s stock option activities for the years ended December 31, 2023 and 2022 are as follows:

	<u>Year ended December 31, 2023</u>		<u>Year ended December 31, 2022</u>	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance as at beginning of period	9,430,000	\$ 0.45	10,189,999	\$ 0.45
Granted	1,840,000	0.19	1,690,000	0.30
Exercised	-	-	(1,149,999)	0.47
Expired	-	-	(1,300,000)	0.45
Balance as at end of period	11,270,000	\$ 0.38	9,430,000	\$ 0.42



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**6. SHARE CAPITAL – cont’d.**

Stock Options – cont’d

As at December 31, 2023, the following stock options were outstanding and vested:

Exercise price	Number of options	Expiry date	Remaining contractual life in years	Number of options vested
\$ 0.25	4,300,000	May 19, 2025	1.38	4,300,000
\$ 0.79	1,400,000	August 20, 2025	1.64	1,400,000
\$ 0.75	750,000	September 3, 2025	1.68	750,000
\$ 0.61	100,000	December 15, 2025	1.96	66,666
\$ 0.54	1,190,000	August 19, 2026	2.64	793,333
\$ 0.30	1,690,000	August 18, 2027	3.63	563,333
\$ 0.20	1,540,000	August 18, 2028	4.64	-
\$ 0.12	300,000	September 8, 2028	4.69	-
\$ 0.38	11,270,000	TOTAL	2.44	7,873,332

During the year ended December 31, 2023, the Company granted 1,840,000 stock options to officers, consultants, of the Company with exercise prices ranging from \$0.12 to \$0.20 per share. The stock options have an expiry of five years and will vest equally over three years beginning from the grant date.

During the year ended December 31, 2022, the Company granted 1,690,000 stock options to officers, consultants, of the Company with an exercise price of \$0.30 per share. The stock options have an expiry of five years and will vest equally over three years beginning from the grant date.

During the year ended December 31, 2022, 1,149,999 stock options with an exercise price ranging from \$0.45 to \$0.53 per common share were exercised by consultants of the Company for gross proceeds of \$537,499. The market price on the dates of exercise ranged from \$0.51 to \$0.54.

Warrants

A summary of the Company’s common share purchase warrant activities for the year ended December 31, 2023 and the year ended December 31, 2022 are as follows:

	<b>Year ended December 31, 2023</b>		<b>Year ended December 31, 2022</b>	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance as at beginning of year	-	\$ -	-	\$ -
Issued	16,666,666	0.20	-	-
Balance as at end of year	16,666,666	\$ 0.20	-	\$ -

As at December 31, 2023, the following share purchase warrants were outstanding:

Exercise price	Number of warrants	Expiry date	Remaining contractual life in years
\$ 0.20	16,666,666	June 28, 2024	0.49
\$ 0.20	16,666,666	TOTAL	0.49

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**6. SHARE CAPITAL – cont’d.**

Restricted Share Units

A summary of the Company’s RSU activities for the years ended December 31, 2023 and December 31, 2022 is presented below:

	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>
	Number of units	Number of units
Balance as at beginning of period	1,456,669	1,386,667
Granted	531,000	320,000
Exercised (equity-settled)	(833,334)	(149,998)
Forfeited	(83,335)	(100,000)
Balance as at end of period	1,071,000	1,456,669

The RSUs granted vest equally over three years beginning one year from the grant date. The Company expects to settle the RSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments. The fair value of the RSU is based on the share price at the time of grant and the total fair value is amortized over the RSU vesting period on a graded method. The total fair value for RSUs awarded in 2023 is \$71,685, which is being amortized over the vesting period and included in share-based compensation discussed below.

Performance Share Units

A summary of the Company’s PSU activities for the years ended December 31, 2023 and December 31, 2022 is presented below:

	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>
	Number of units	Number of units
Balance as at beginning of period	550,000	650,000
Exercised (equity-settled)	(250,000)	(100,000)
Balance as at end of period	300,000	550,000

The Company expects to settle the PSUs through the issuance of shares and as such has accounted for these awards as equity-settled instruments. The fair value of the PSU is based on the share price at the time of grant and the total fair value is amortized over the PSU vesting period on a straight-line method. There were no PSUs awarded in 2023.

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**6. SHARE CAPITAL – cont’d.**

Share-based Compensation

The weighted average fair value of the stock options granted during the year ended December 31, 2023 is \$0.08 per share. Options are valued using the Black-Scholes option pricing model. The fair value of options granted during the years ended December 31, 2023 and December 31, 2022 were estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Weighted average risk-free rate	3.96% to 4.08%	3.06%
Weighted average expected option life	5 years	5 years
Weighted average expected stock volatility	72%	71%
Weighted average expected dividend yield	Nil	Nil

The Company amortizes the total fair value of options and RSUs granted over the graded vesting schedule. The fair value of PSUs is amortized over the straight-line schedule. Consequently, the total compensation expense recognized for options, RSUs, and PSUs during the year was \$462,920. Of the total compensation recorded, \$377,058 was charged to operations and \$85,862 was capitalized to mineral interests.

**7. RELATED PARTY TRANSACTIONS**

Compensation of key management personnel

Key management personnel include members of the Board, the President and Chief Executive Officer, the Chief Financial Officer, the VP Exploration, the VP Corporate Development and Investor Relations, and the VP Projects. The aggregate total compensation paid, or payable to key management for management and employee services during the year ended December 31 was as follows:

	<u>2023</u>	<u>2022</u>
Short-term salaries and benefits	\$ 374,909	\$ 204,835
Share-based compensation	334,270	540,053
Consulting fees paid to key management	840,004	560,004
	<u>\$ 1,549,183</u>	<u>\$ 1,304,892</u>

**8. CAPITAL MANAGEMENT**

The Company’s objectives in managing its capital resources are to safeguard the entity’s ability to continue as a going concern and maximize returns to shareholders in the context of the market. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing equity issues, as necessary, based on the prevailing economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. The Company’s principal source of capital is from the issuance of common shares. To meet its objectives, management monitors the Company’s ongoing capital requirements against net working capital and assesses additional capital requirements on a case-by-case basis. The Company is not subject to any externally imposed capital requirements. The capital structure of the Company consists of equity attributable to common shareholders comprising issued capital, warrants reserve, share-based payments reserve, accumulated other comprehensive income, and accumulated deficit.

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**9. FAIR VALUE OF FINANCIAL INSTRUMENTS**

(a) Financial Instruments by Category

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Short-term investment and trade and other payables are the same as or approximately equal to their respective fair values due to their short-term maturity. The carrying values of the Company's financial assets and financial liabilities are approximately equal to their fair values.

(b) 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 ensures there is sufficient capital to meet short-term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of the Company's assets, liabilities, and cash flows. The Company's cash which is held as bank deposits are available on demand to fund the Company's short-term financial obligations.

(c) Credit Risk and Concentration Risk

The Company's credit risk is primarily attributable to its cash, short-term investments, and loan receivable. The risk exposure is limited to their carrying values at the balance sheet date. Cash and short-term investments are held with counterparties that carry investment grade ratings as assessed by external rating agencies. The Company does not invest in asset-backed deposits or investments. Concentration risk exists in cash and short-term investments because significant balances are maintained with one financial institution. The risk is mitigated because the instruments are maintained with a large Canadian financial institution.

(d) Market Risks

The significant market risk to which the Company is exposed is interest rate risk. The Company's interest rate risk arises primarily from the interest earned on cash and cash equivalents and short-term investments. Deposits are invested on a short-term basis to enable adequate liquidity for payment of operational and capital expenditures. The Company's short-term investments are funds invested in GIC's. Other financial assets and liabilities of the Company are not subject to interest rate risk since they do not bear interest.

**10. SEGMENTED INFORMATION**

The Company's operations are in one segment, the acquisition, exploration, evaluation, and development of mineral resource properties. Consistent with December 31, 2022, the Company has two geographic locations at December 31, 2023: Canada and Ghana. The total assets and liabilities attributable to the geographic locations relates primarily to the exploration and evaluation assets held by the Company which have been disclosed in Note 4.

	<b>December 31, 2023</b>	December 31, 2022
<i>Canada</i>		
Total assets	\$ 3,863,391	\$ 3,437,432
Total liabilities	\$ 147,311	\$ 283,405
<i>Ghana</i>		
Total assets	\$ 42,367,212	\$ 41,075,555
Total liabilities	\$ 22,934	\$ 209,569

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**10. SEGMENTED INFORMATION (cont'd)**

The following geographic data denotes net losses based on their country of origin for the year ended December 31:

	<b>2023</b>	<b>2022</b>
Canada	\$ <b>2,201,707</b>	\$ 2,500,670
Ghana	<b>222,064</b>	124,467
Loss for the period	\$ <b>2,423,771</b>	\$ 2,625,137

**11. INCOME TAXES**

The reconciliation of the income tax provision computed at substantively enacted statutory rates to the reported income tax provision for the years ended December 31 is as follows:

	<b>2023</b>	<b>2022</b>
Loss for the year before income taxes	\$ <b>(2,423,771)</b>	\$ (2,625,137)
Effective statutory rate	<b>27%</b>	27%
Expected income tax recovery	\$ <b>(654,418)</b>	\$ (708,787)
Non-deductible expenses	<b>104,543</b>	236,947
Other items	<b>(142,098)</b>	(137,725)
Change in unrecognized tax benefit	<b>691,973</b>	609,565
	\$ <b>-</b>	\$ -

The following are temporary differences the net benefits of which have not been recognized:

	<b>2023</b>	<b>2022</b>
Non-capital loss carryforwards	\$ <b>11,842,666</b>	\$ 9,647,497
Undeducted share issue costs	<b>928,496</b>	1,797,862

The Company has non-capital losses in Canada of \$11,842,666 (2022 - \$9,647,497), which can be used to reduce taxable income between 2030 and 2042. As at December 31, 2023, the Company's Ghanaian subsidiary has carry-forward exploration costs of approximately GHS 156.0 million (equivalent to \$17.3 million) that can be used to reduce taxable income in future years. These exploration costs are amortized over a three-year period from the time the Company commences commercial production.