



**TRISTAR GOLD, INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(Unaudited)  
(Expressed in United States Dollars)**

**For the three-month periods ended March 31, 2023 and 2022**

Reader's Note: These condensed consolidated interim financial statements for the three-month periods ended March 31, 2023 and 2022 of TriStar Gold, Inc. have been prepared by management and have not been reviewed by the Company's auditor.

**TriStar Gold, Inc.**  
**Condensed Consolidated Interim Statements of Financial Position**  
**(Unaudited)**

(Expressed in United States Dollars)

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 6)	\$ 4,024,759	\$ 4,978,314
Accounts receivable	63,174	49,629
Prepaid expenses	107,236	143,040
Total current assets	4,195,169	5,170,983
Non-current assets:		
Mineral properties and deferred expenditures (Note 7)	24,798,179	24,257,379
Plant and equipment, net (Note 8)	4,674	4,568
Total non-current assets	24,802,853	24,261,947
Total assets	\$ 28,998,022	\$ 29,432,930
 <b>Liabilities and Shareholders' equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 237,045	\$ 237,759
Total current liabilities	237,045	237,759
Non-current liabilities:		
Provisions (Note 9)	233,298	227,887
Warrants liability (Note 10)	795,281	690,753
Total non-current liabilities	1,028,579	918,640
Total liabilities	1,265,624	1,156,399
Shareholders' equity:		
Share capital (Note 11)	55,922,758	55,922,758
Capital reserve (Note 11 and Note 12)	4,073,531	4,073,531
Accumulated deficit	(32,263,891)	(31,719,758)
Total shareholders' equity	27,732,398	28,276,531
Total liabilities and shareholders' equity	\$ 28,998,022	\$ 29,432,930

Nature of Operations and Going Concern (Note 2)  
Commitments and Contingencies (Note 16)

Approved on behalf of the Board of Directors.

Director: "Mark E. Jones, III"  
Director: "Nicholas Appleyard"

*See accompanying notes which are an integral part of these condensed consolidated interim financial statements.*

**TriStar Gold, Inc.**  
**Condensed Consolidated Interim Statements of Comprehensive Loss**  
**(Unaudited)**  
**(Expressed in United States Dollars)**

	<b>Three months ended</b>	
	<b>March 31, 2023</b>	March 31, 2022
Expenses:		
General and administrative (Note 8, Note 9, Note 13 and Note 15)	\$ <b>400,969</b>	\$ 314,182
Foreign exchange (gain) losses	<b>58,258</b>	(11,171)
	<b>459,227</b>	303,011
Other income (expenses):		
Warrants liability fair value change (Note 10)	<b>(104,528)</b>	248,285
Bank charges	<b>(1,950)</b>	(1,367)
Interest income	<b>21,572</b>	2,249
	<b>(84,906)</b>	249,167
Net loss and comprehensive loss for the period	<b>\$ (544,133)</b>	\$ (53,844)
Basic and diluted loss per share (Note 14)	<b>\$ (0.00)</b>	\$ (0.00)
Basic and diluted weighted-average number of shares outstanding (Note 14)	<b>255,128,672</b>	230,128,672

*See accompanying notes which are an integral part of these condensed consolidated interim financial statements.*

**TriStar Gold, Inc.**

**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity  
(Unaudited)**

(Expressed in United States Dollars)

	Common Shares		Capital Reserve	Deficit and Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Number	Amount			
<b>Balance at December 31, 2022</b>	<b>255,128,672</b>	<b>\$ 55,922,758</b>	<b>\$ 4,073,531</b>	<b>\$ (31,719,758)</b>	<b>\$ 28,276,531</b>
Net loss and comprehensive loss for the period	-	-	-	(544,133)	(544,133)
<b>Balance at March 31, 2023</b>	<b>255,128,672</b>	<b>\$ 55,922,758</b>	<b>\$ 4,073,531</b>	<b>\$ (32,263,891)</b>	<b>\$ 27,732,398</b>

	Common Shares		Capital Reserve	Deficit and Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Number	Amount			
Balance at December 31, 2021	230,128,672	\$ 52,458,802	\$ 3,927,389	\$ (30,752,563)	\$ 25,633,628
Net loss and comprehensive loss for the period	-	-	-	(53,844)	(53,844)
Balance at March 31, 2022	230,128,672	\$ 52,458,802	\$ 3,927,389	\$ (30,806,407)	\$ 25,579,784

*See accompanying notes which are an integral part of these condensed consolidated interim financial statements.*

**TriStar Gold, Inc.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
**(Unaudited)**  
**(Expressed in United States Dollars)**

	<b>For the three months ended</b>	
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Operating activities</b>		
Net loss for the period	\$ (544,133)	\$ (53,844)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation (Note 8 and Note 13)	500	500
Warrants liability fair value change (Note 10)	104,528	(248,285)
Changes in non-cash operating working capital:		
Accounts receivable	(13,543)	(10,474)
Prepaid expenses	35,804	12,039
Accounts payable and accrued liabilities	(714)	(145,700)
Provisions (Note 9)	5,411	38,423
Net cash used in operating activities	<b>(412,147)</b>	<b>(407,341)</b>
<b>Investing activities</b>		
Mineral properties acquisition and exploration (Note 7)	(540,225)	(358,149)
Purchase of equipment (Note 8)	(1,183)	(2,428)
Net cash used in investing activities	<b>(541,408)</b>	<b>(360,577)</b>
Net decrease in cash and cash equivalents	<b>(953,555)</b>	<b>(767,918)</b>
Cash and cash equivalents, beginning of period	<b>4,978,314</b>	<b>5,374,505</b>
Cash and cash equivalents, end of period	<b>\$ 4,024,759</b>	<b>\$ 4,606,587</b>

*See accompanying notes which are an integral part of these condensed consolidated interim financial statements.*

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 1. Corporate Information

TriStar Gold, Inc. (“TriStar” or the “Company”) was incorporated on May 21, 2010, in British Columbia, Canada. The Company is listed on the TSX Venture Exchange (“TSX”), under the symbol TSG.V and on the OTCQX, under the symbol TSGZF. The address of the Company’s corporate office and principal place of business is 7950 E Acoma Drive, Suite 209, Scottsdale, Arizona, United States, 85260.

TriStar was created to hold certain existing Brazauro Resources Corporation (“Brazauro”) assets as a result of an Arrangement Agreement (the “Arrangement”) between Brazauro and Eldorado Gold Corporation (“Eldorado”). Under the “spin out” Arrangement Brazauro transferred certain Brazilian mineral exploration properties and Eldorado provided a cash contribution for working capital of \$10 million to TriStar. The completion of the Arrangement occurred on July 20, 2010.

### 2. Nature of Operations and Going Concern

TriStar’s primary business focus is the acquisition, exploration and development of precious metal prospects in the Americas, including its current focus on advancing the exploration success of Castelo de Sonhos (“CDS”) located in the Tapajós Gold District of Brazil’s northerly Pará State. The Company is concentrating its exploration activities on the CDS property because the Company believes CDS has the potential to host several million ounces of gold.

The Company’s current properties are in the exploration stage and have not yet been proven to be commercially developable. The continued operations of the Company and the recoverability of the amounts shown for mineral property are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of such properties, and the future profitable production from or disposition of such properties.

The Company has no source of revenue. Its ability to continue as a going concern and meet its commitments as they become due, including completion of the exploration and development of its mineral property interests and to meet its general and administrative expenses, is dependent on the Company’s ability to obtain the necessary financing. The Company relies primarily on the sale of its treasury securities to fund its operations and the Company’s cash position is currently sufficient to maintain its planned operations for a full year. Management may raise additional capital to finance operations and expected growth. Although the Company has been successful in raising funds in the past, there can be no assurance that adequate funding will be available in the future, or available under terms favorable to the Company.

For the three-month period ended March 31, 2023, the Company reported a net loss of \$544,133 (March 31, 2022: \$53,844). The Company’s accumulated deficit at March 31, 2023, was \$32,263,891 (December 31, 2022: \$31,719,758). The unaudited condensed consolidated interim financial statements (“consolidated financial statements”) have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for one year, adverse financial conditions may cast substantial doubt upon the validity of this assumption.

These consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the Condensed Consolidated Interim Statements of Comprehensive Loss that may be necessary if the Company was unable to continue as a going concern.

### 3. Basis of Presentation

#### Statement of Compliance

The consolidated financial statements for the three-month periods ended March 31, 2023 and 2022 have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”). Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”) in effect at March 31, 2023, have been omitted or condensed.

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 3. Basis of Presentation (continued)

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 29, 2023.

#### Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss. These consolidated financial statements are presented in United States dollars (“U.S. dollars”), unless otherwise noted.

### 4. Significant Accounting Policies

These consolidated financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company’s December 31, 2022, audited annual consolidated financial statements. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2022.

### 5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of the Company’s consolidated financial statements in conformity with IFRS requires management to make estimates based on assumptions about future events that affect the reported amount of assets and liabilities and disclosures of contingent assets or liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported periods.

The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised.

Material areas that require estimates and assumptions as the basis for determining the reported amounts include, but are not limited to, the following:

*Going concern.* Management considers whether there exists any events or conditions that may cast doubt on the Company’s ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company’s working capital balance and future cash commitments.

*Functional currency.* The functional currency of each of the Company’s entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency of all entities within the group is the U.S. dollar. Functional currency of each of the entities was determined based on the currency that mainly influences sales prices for goods and services, labor, material and other costs and the currency in which funds from financing activities are generated.

*Impairment of assets.* Management assesses each cash generating unit (“CGU”) at each reporting period to determine whether any indication of impairment exists. In addition, management assesses a CGU for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that could be obtained from the sale of the asset in an arm’s-length transaction between knowledgeable and willing parties.

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty (continued)

*Fair value of derivative financial instruments (Warrants Liability).* Management assesses the fair value of the Company's financial derivatives in accordance with the accounting policy stated in Note 4 to the consolidated audited financial statements. Fair values of warrants have been measured using the Black-Scholes model, taking into account the terms and conditions upon which the warrants are granted. These calculations require the use of estimates and assumptions. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's financial derivatives. When these assumptions change or become known in the future, such differences will impact asset and liability carrying values in the period in which they change or become known.

*Fair value of stock options and stock-based compensation.* Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 4 to the consolidated audited financial statements. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

*Mineral resources.* The Company estimates its measured and indicated and inferred mineral resources for Castelo de Sonhos based upon information compiled by Qualified Persons, as defined in National Instrument 43-101. Information relative to geological data on the size, depth, grade and shape of the mineralized body requires complex geological and geo-statistical judgements to interpret data, which judgements themselves contain significant estimates and assumptions.

Changes in the measured and indicated and inferred mineral resources may impact the carrying value of mineral properties and deferred expenditures.

*Uncertainty due to COVID-19.* The duration and full financial effect of COVID-19 pandemic is unknown at this time, as are the measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. To the extent that inputs and assumptions used as at March 31, 2023, to arrive at accounting estimates and asset values have changed during the period, whether as a result of COVID-19 or otherwise, the changes have been considered and reflected, where appropriate, in the consolidated financial statements. These inputs and assumptions relate to, among other things, interest rates, foreign exchange rates, cost of capital, commodity prices, and the amount and timing of future cash flows, while accounting judgments take into consideration the business and economic uncertainties caused by COVID-19 and by the future response of governments, the Company and others to those uncertainties. In the current environment, the inputs and assumptions and judgements are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of COVID-19 on various financial accounts and note disclosures and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends but is not limited to the Company's valuation of the long-term assets (including the assessment for impairment and impairment reversal), estimation of reclamation provisions, estimation of mineral reserves and mineral resources, and estimation of income and mining taxes. Actual results may differ materially from these estimates.

### 6. Cash and Cash Equivalents

Cash and cash equivalents include:

	Balance at March 31, 2023	Balance at December 31, 2022
<i>Cash:</i>		
Cash at bank	\$ 109,013	\$ 133,319
Investment accounts	3,915,746	4,844,995
<b>Total</b>	<b>\$ 4,024,759</b>	<b>\$ 4,978,314</b>

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 6. Cash and Cash Equivalents (continued)

As at March 31, 2023 the investment accounts include Redeemable Short Term Investment Certificates with a total balance of \$3,842,280 (December 31, 2022: \$4,798,950) with annual interest rates of 2.35% (December 31, 2022: 2.35%) and maturity date of less than a year, and saving accounts with a total balance of \$73,466 (December 31, 2022: \$46,045).

### 7. Mineral Properties and Deferred Expenditures

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures cannot guarantee the Company's title to all of its properties. Such properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers or indigenous land claims, and title may be affected by undetected defects. Certain of the mineral rights held by the Company are held under applications for mineral rights or renewal of mineral rights and, until final approval of such applications is received, the Company's rights to such mineral rights may not materialize and the exact boundaries of the Company's properties may be subject to adjustment. The Company does not maintain title insurance on its properties.

#### Castelo de Sonhos Property (Brazil)

On November 9, 2010, the Company entered into an agreement with a third-party vendor to acquire 100% of the mineral rights to the Castelo de Sonhos property in Brazil. Pursuant to this agreement and subsequent amendments (three such amendments were agreed to), between 2010 and 2016, the Company made monetary payments totaling \$2,750,000 and issued the vendors a total of 2,000,000 common shares of the Company.

All agreed fixed price payments have been made. However, under the Second Amending Agreement, the Company agreed to pay the vendor \$3,600,000 out of production from the property over and above its royalty. At its option, TriStar may pay to the vendor \$1,500,000 on or prior to the making of a construction decision in lieu of the payment out of production.

Under the original agreement, the vendors had the right to receive a payment equal to \$1.00 per ounce should a gold deposit with proven and probable reserves in excess of 1 million troy ounces be identified and the property owner will retain a 2% Net Smelter Return ("NSR") royalty, half of which can be purchased by TriStar (purchase right subsequently transferred to Royal Gold) at any time and which purchase amount will be calculated based on the proven and probable reserves identified by a feasibility study.

On August 2, 2019, the Company, through its subsidiary Mineracao Castelo de Sonhos Ltda., entered into a Royalty Agreement with RG Royalties, LLC ("RG"), a subsidiary of Royal Gold, Inc. Under the Royalty Agreement TriStar sold and granted to RG a newly created 1.5% NSR royalty on the CDS property for the purchase price of \$7,250,000. Additionally, as part of the agreement, for a total consideration of \$250,000 the Company has granted International Royalty Corporation ("IRC"), a wholly-owned subsidiary of RG, a total of 19,640,000 common share purchase warrants, each entitling IRC to purchase one common share of TriStar Gold Inc. at an exercise price of Can\$0.25 per common share for a period of five years. All payments have been received pursuant to this agreement.

Mineral properties and deferred expenditures were as follows:

	Balance at December 31, 2022	Additions	Balance at March 31, 2023
<i>Castelo de Sonhos Properties:</i>			
Acquisition costs	\$ 3,303,945	\$ -	\$ 3,303,945
Exploration costs	27,091,844	540,800	27,632,644
Total Deferred Expenditures	30,395,789	540,800	30,936,589
Sale of Royalty	(6,138,410)	-	(6,138,410)
Total Carrying Amount	\$ 24,257,379	\$ 540,800	\$ 24,798,179

## TriStar Gold, Inc.

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

#### 7. Mineral Properties and Deferred Expenditures (continued)

	Balance at December 31, 2021	Additions	Balance at March 31, 2022
<i>Castelo de Sonhos Properties:</i>			
Acquisition costs	\$ 3,303,945	\$ -	\$ 3,303,945
Exploration costs	24,771,088	361,411	25,132,499
Total Deferred Expenditures	28,075,033	361,411	28,436,444
Sale of Royalty	(6,138,410)	-	(6,138,410)
Total Carrying Amount	\$ 21,936,623	\$ 361,411	\$ 22,298,034

During the periods ended March 31, 2023 and 2022, the additions to exploration costs include the following:

	Three months ended	
	March 31, 2023	March 31, 2022
<i>Castelo de Sonhos Properties:</i>		
Camp costs (Note 8)	\$ 124,125	\$ 53,807
Wages, salaries and benefits costs (Note 15)	237,622	133,696
Geological analysis costs	52,387	26,181
Licenses and permits costs	47,147	77,348
Engineering and economic costs	76,998	46,728
Other costs	2,521	23,651
<b>Total Exploration Costs</b>	<b>\$ 540,800</b>	<b>\$ 361,411</b>

#### 8. Plant and Equipment

During the three-month period ended March 31, 2023, depreciation expenses in the amount of \$575 were reported in Mineral properties and deferred expenditures (Note 7) under camp costs of the exploration cost of the Castelo de Sonhos project (March 31, 2022: \$3,262).

Plant and equipment were as follows:

	Balance at December 31, 2022	Additions	Balance at March 31, 2023
<i>Cost:</i>			
Furniture	\$ 2,464	\$ -	\$ 2,464
Office equipment	21,647	-	21,647
Vehicles	234,941	-	234,941
Field equipment	83,928	1,183	85,111
Total costs	342,980	1,183	344,163
<i>Accumulated Depreciation:</i>			
Furniture	(2,464)		(2,464)
Office equipment	(19,073)	(540)	(19,613)
Vehicles	(234,941)	(537)	(235,478)
Field equipment	(81,934)	-	(81,934)
Total accumulated depreciation	(338,412)	(1,077)	(339,489)
Total net book value	\$ 4,568	\$ 106	\$ 4,674

## TriStar Gold, Inc.

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

#### 8. Plant and Equipment (continued)

	Balance at December 31, 2021	Additions	Balance at March 31, 2022
<i>Cost:</i>			
Furniture	\$ 2,464	\$ -	\$ 2,464
Office equipment	27,353	-	27,353
Vehicles	296,381	-	296,381
Field equipment	81,132	2,428	83,560
Total costs	407,330	2,428	409,758
<i>Accumulated Depreciation:</i>			
Furniture	(2,464)	-	(2,464)
Office equipment	(21,238)	(1,029)	(22,267)
Vehicles	(296,381)	-	(296,381)
Field equipment	(71,791)	(2,733)	(74,524)
Total accumulated depreciation	(391,874)	(3,762)	(395,636)
Total net book value	\$ 15,456	\$ (1,334)	\$ 14,122

#### 9. Provisions

The provision represents the Company estimates of the taxes it may have to pay on a possible contingent liability for labor severance obligations in Brazil. The Company is uncertain about the amount or timing of any outflows of funds, if any were to occur.

The following table presents the changes in the Provision:

	Three months ended	
	March 31, 2023	March 31, 2022
<b>Balance at beginning of the period</b>	<b>\$ 227,887</b>	\$ 221,945
Change in provision estimate	<b>5,411</b>	38,423
<b>Balance at end of the period</b>	<b>\$ 233,298</b>	\$ 260,368

Each reporting period the Company reviews estimated amounts and other assumptions used in the valuation of the provision to reflect events, changes in circumstances and new information available. Changes in these estimates and assumptions may have a corresponding impact on the value of the provision. The changes in the provision estimate are reported in general and administrative expenses (Note 13) and the foreign exchange effects, which accounted for the variation in the provision, are included in foreign exchange gains and losses.

During the three-month period ended March 31, 2023, included in the change in the provision estimate are expenses in the amount of \$6,143 from effect of exchange rates (March 31, 2022: \$39,385).

#### 10. Warrants Liability

Warrants have their exercise prices denominated in Canadian dollars which is not the Company's functional currency and therefore the warrants have been accounted for as a non-hedged derivative financial liability. The derivative liability is recorded at the estimated fair value through profit and loss at each reporting date based upon a Black-Scholes Option Pricing Model. At initial recognition when warrants are issued with the issuance of shares the Company allocates their full fair value as a warranty liability at issuance with the residual value of proceeds raised from the shares issued recorded in common shares. Subsequent changes in the fair value of the warrant's liability are recorded in the Condensed Consolidated Interim Statement of Comprehensive Loss for the period.

## TriStar Gold, Inc.

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

#### 10. Warrants Liability (continued)

The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price	Amount
<b>Balance at December 31, 2022</b>	<b>32,140,000</b>	<b>Can\$0.27</b>	<b>\$ 690,753</b>
Warrants liability fair value change	-	-	104,528
<b>Balance at March 31, 2023</b>	<b>32,140,000</b>	<b>Can\$0.27</b>	<b>\$ 795,281</b>
	Number of Warrants	Weighted Average Exercise Price	Amount
Balance at December 31, 2021	34,992,500	Can\$0.32	\$ 1,352,144
Warrants liability fair value change	-	-	(248,285)
Balance at March 31, 2022	34,992,500	Can\$0.32	\$ 1,103,859

At March 31, 2023 and 2022 the fair value of the Company's warrants was estimated using the Black-Scholes option-pricing model with the following assumptions:

	March 31, 2023	March 31, 2022
Expected dividend yield	0%	0%
Expected volatility	88.70% - 99.84%	73% - 78.88%
Risk-free interest rate	4.25%	1.49%
Expected life	1 – 2 years	4 months – 3 years
Share Price	Can\$0.135	Can\$0.185

As at March 31, 2023, outstanding warrants are as follows:

Number of Warrants	Weighted Average Exercise Price	Issuance Date	Expiry Date
12,500,000	Can\$0.30	April 14, 2022	April 14, 2024
11,784,000	Can\$0.25	August 2, 2019	August 5, 2024
3,928,000	Can\$0.25	November 30, 2019	November 30, 2024
3,928,000	Can\$0.25	March 31, 2020	March 31, 2025
<b>32,140,000</b>			

#### 11. Share Capital and Capital Reserve

The Company's authorized share capital consists of an unlimited number of common shares without par value. At March 31, 2023, the Company had 255,128,672 common shares outstanding, and a total of 38,425,000 common shares were reserved for issuance upon exercise of options and warrants outstanding.

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 12. Stock Option Plan

The Company maintains a stock option plan (“the Plan”) for directors, senior officers, employees and consultants of TriStar and its subsidiaries. Under the terms of the Plan, the options are exercisable over periods of up to ten years, and the exercise price of each option equals the closing market price of the Company’s stock on the trading day immediately before the date of grant. Any consideration paid by the option holder on the exercise of options is credited to share capital and offset against amounts previously recorded in capital reserve.

The number of shares which may be issued pursuant to options previously granted and those granted under the Plan shall not exceed 18,800,000 at the time of the grant. The options granted under the Plan vest at determination of the Board. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued and outstanding shares on a yearly basis.

The Plan will terminate when all of the options have been granted or when the Plan is otherwise terminated by TriStar. Any options outstanding when the Plan is terminated will remain in effect until they are exercised or they expire.

The following is a summary of the changes in options outstanding and exercisable during the period ended March 31, 2023:

	Number of Options Outstanding	Number of Options Vested	Weighted Average Exercise Price of Options (in Can\$)
Balance at December 31, 2022	6,085,000	6,085,000	\$0.19
Options granted	300,000	-	\$0.16
Options expired	(100,000)	(100,000)	\$0.28
Balance at March 31, 2023	6,285,000	5,985,000	\$0.19

As at March 31, 2022, the Company had 6,235,000 options outstanding and exercisable, with a weighted average exercise price of Can\$0.23.

During the period ended March 31, 2023, a total of 300,000 stock options were granted to an investor relation consultant (March 31, 2022: nil). The options expire on February 14, 2028, and have an exercise price of Can\$0.16 per option. The Options will vest over a period of one year at a rate of 75,000 every 3 months starting May 15, 2023. The total estimated fair value at grant date was \$23,916.

During the period ended March 31, 2023, a total of 100,000 stock options granted to a consultant with an exercise price of Can\$0.28 expired unexercised (March 31, 2022: nil).

The weighted average fair value at grant date of options granted during the period ended March 31, 2023, was Can\$0.11 per option (March 31, 2022: nil).

The fair value of options granted during the period ended March 31, 2023, (March 31, 2022: nil) has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Three months ended March 31, 2023
Expected dividend yield	0%
Expected volatility	82.25%
Risk-free interest rate	2.99%
Expected life	5 years
Share price	Can\$0.16
Weighted average fair value of options granted	Can\$0.11

During the three-month periods ended March 31, 2023 and 2022 the estimated forfeiture rates were nil.

## TriStar Gold, Inc.

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

#### 12. Stock Option Plan (continued)

Option pricing models require the input of subjective assumptions including the expected price volatility, the expected life and forfeiture rate. Changes in these assumptions can materially affect the estimated fair value of the stock options granted. The expected price volatility used was based on the historic volatility of the Company's share price.

The following table summarizes information about stock options outstanding at March 31, 2023:

Grant Date	Options Outstanding	Options Vested	Exercise Price	Proceeds upon exercise of options outstanding (in Can\$)	Fair Value of Options Outstanding	Weighted Average Remaining Life in Years	Expiration Date
08/01/2019	400,000	400,000	Can\$0.17	\$ 68,000	\$ 37,745	1.3	8/1/2024
11/27/2019	2,210,000	2,210,000	Can\$0.20	442,000	239,373	1.7	11/26/2024
10/27/2020	200,000	200,000	Can\$0.28	56,000	27,364	2.6	10/27/2025
10/28/2020	200,000	200,000	Can\$0.28	56,000	28,328	2.6	10/27/2025
12/18/2020	300,000	300,000	Can\$0.25	73,500	35,345	2.7	12/17/2025
01/19/2021	300,000	300,000	Can\$0.27	81,000	42,032	2.8	01/18/2026
02/08/2021	300,000	300,000	Can\$0.25	75,000	39,753	2.8	02/07/2026
10/01/2022	300,000	300,000	Can\$0.13	37,500	17,900	4.5	09/30/2027
12/01/2022	1,775,000	1,775,000	Can\$0.15	257,375	128,242	4.7	11/30/2027
02/15/2023	300,000	-	Can\$0.16	48,000	23,916	4.9	02/14/2028
	<b>6,285,000</b>	<b>5,985,000</b>		<b>\$ 1,174,375</b>	<b>\$ 619,997</b>	<b>3.0</b>	

#### 13. General and Administrative Expenses

General and administrative expenses consist of the following:

	Three months ended	
	March 31, 2023	March 31, 2022
Consulting and professional fees (Note 15)	\$ 52,848	\$ 52,535
Change in provisions (Note 9)	(732)	(961)
Depreciation (Note 8)	500	500
Insurance	2,860	6,336
Office	18,573	14,682
Rent	6,576	6,261
Salaries and benefits (Note 15)	198,105	180,382
Shareholder relations	96,515	54,355
Travel and meals	25,724	92
Total	<b>\$ 400,969</b>	<b>\$ 314,182</b>

#### 14. Basic and Diluted Loss per Share

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended	
	March 31, 2023	March 31, 2022
<u>Numerator:</u>		
Numerator for basic and diluted loss per share:		
Net loss for the period	<b>\$ (544,133)</b>	<b>\$ (53,844)</b>

## TriStar Gold, Inc.

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

#### 14. Basic and Diluted Loss per Share (continued)

	Three months ended	
	March 31, 2023	March 31, 2022
<u>Denominator:</u>		
Denominator for basic and diluted loss per share:		
Basic and diluted weighted average number of commons shares	255,128,672	230,128,672
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)

During the three-month periods ended March 31, 2023 and 2022 the share purchase warrants and stock options were excluded from the computation of diluted loss per share as their inclusion would be antidilutive.

#### 15. Related Party Transactions

Key management personnel compensation comprised:

	Three months ended	
	March 31, 2023	March 31, 2022
Short term employee salaries and benefits (Note 13)	\$ 149,938	\$ 142,022
Consulting fees	140,671	81,130
Director fees	27,000	27,000
	\$ 317,609	\$ 250,152

For the period ended March 31, 2023, consulting fees, paid to officers for advisory service, in the amount of \$129,580 (March 31, 2022: \$69,283) were reported in Mineral properties and deferred expenditures (Note 7) under exploration cost of the Castelo de Sonhos project, and the amount of \$11,091 (March 31, 2022: \$11,847) was recorded in the consulting fees account (Note 13) in the Condensed Consolidated Interim Statements of Comprehensive Loss.

As of March 31, 2023, the total number of outstanding options held by directors and officers of the Company was 4,850,000 (March 31, 2022: 4,375,000).

During the three-month period ended March 31, 2022, the Company paid legal fees in the amounts of \$18,114 to a company where one director has ownership interests (March 31, 2023: nil). These amounts were recorded in professional fees (Note 13) in the Condensed Consolidated Statement of Comprehensive Loss.

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties and the Board of Directors.

#### 16. Commitments and Contingencies

The Company leases offices in United States with an expiration date December 2023, for an estimated cost of \$2,200 per month and is cancellable within three months' notice.

The Company has various property access agreements related to its projects at an estimated cost of approximately \$1,700 per month.

There are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of their property is subject.

## TriStar Gold, Inc.

### Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

**For the three-month periods ended March 31, 2023 and 2022**

#### 17. Segmented Information

Segments are defined as material components of an enterprise about which separate financial information is available and deemed relevant in managing the business. All of the Company's operations are within the mineral exploration sector. The Company's exploration operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. The Company's mineral properties are located in Brazil.

Information relating to each of the Company's reportable segments is presented as follows:

	March 31, 2023	March 31, 2022
<i>Assets:</i>		
Corporate Office	\$ 4,157,250	\$ 4,725,096
Mineral Exploration	24,840,772	22,415,645
<b>Total assets</b>	<b>\$ 28,998,022</b>	<b>\$ 27,140,741</b>
	March 31, 2023	March 31, 2022
<i>Liabilities:</i>		
Corporate Office	\$ 896,523	\$ 1,216,220
Mineral Exploration	369,101	344,737
<b>Total liabilities</b>	<b>\$ 1,265,624</b>	<b>\$ 1,560,957</b>
	Three months ended	
	March 31, 2023	March 31, 2022
<i>Net loss</i>		
Corporate Office	\$ (468,096)	\$ 220
Mineral Exploration	(76,037)	(54,064)
<b>Total</b>	<b>\$ (544,133)</b>	<b>\$ (53,844)</b>

Geographical information related to non-current assets is presented as follows:

	United States	Brazil	Total
<b>As at March 31, 2023</b>			
Mineral properties and deferred expenditures (Note 7)	\$ -	\$ 24,798,179	\$ 24,798,179
Property, plant and equipment (Note 8)	2,032	2,642	4,674
<b>Total non-current assets</b>	<b>\$ 2,032</b>	<b>\$ 24,800,821</b>	<b>\$ 24,802,853</b>
	United States	Brazil	Total
<b>As at March 31, 2022</b>			
Mineral properties and deferred expenditures (Note 7)	\$ -	\$ 22,298,034	\$ 22,298,034
Property, plant and equipment (Note 8)	4,922	9,200	14,122
<b>Total non-current assets</b>	<b>\$ 4,922</b>	<b>\$ 22,307,234</b>	<b>\$ 22,312,156</b>

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 18. Capital Management and Liquidity

The Company considers its cash and cash equivalents, common shares, stock options and warrants as capital. The Company's objective in managing capital is to maintain adequate levels of funding to support exploration of its mineral property interests, maintain corporate and administrative functions necessary to support organizational management oversight, and obtain funding sufficient for advancing the Company's investments.

The Company manages its capital structure in a manner that intends to provide sufficient funding for operational activities. Funds are primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

In order to facilitate management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary with actual spending compared to budget on a monthly basis. The Company's investment policy, in general, is to invest short-term excess cash in highly liquid short-term interest-bearing investments with maturities of less than one year or that may be liquidated with no reduction in principal. This is to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and preserving its invested balances.

### 19. Financial Instruments and Management of Financial Risk

The Company is exposed to potential loss from various risks including currency risk, interest rate risk, liquidity risk, market risk and commodity price risk.

#### Market Risks

The significant market risks to which the Company is exposed include commodity price risk and interest rate risk.

#### Credit Risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents, and accounts receivable. The Company invests any excess capital in short-term, highly liquid and highly-rated financial instruments such as cash and short-term guaranteed deposits, all held with Canadian and USA based financial institutions.

### 19. Financial Instruments and Management of Financial Risk (continued)

#### Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents balances. Liquidity requirements are managed based on expected cash flow to ensure there is sufficient capital to meet short-term obligations. The Company estimates that its contractual obligations pertaining to accounts payable and accrued liabilities should be satisfied within one year.

#### Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market price of gold. The Company does not have any sales revenue and accordingly no hedging or other commodity-based risks impact its operations.

Market prices for gold historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 19. Financial Instruments and Management of Financial Risk (continued)

#### Currency risk

The Company operates in USA, Canada, and Brazil. As a result, the Company has foreign currency exposure with respect to items not denominated in U.S. dollars. The three main types of foreign exchange risk of the Company can be categorized as follows:

#### Transaction exposure

The Company operates and incurs costs in different currencies. This creates exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. The Company has not hedged its exposure to currency fluctuations.

#### Translation exposure

A strengthening of the U.S. dollar by 10% against the Canadian dollar and the Brazilian Real at March 31, 2023, with all other variables held constant would have increased the Company's before tax net loss by approximately \$366,000 (at March 31, 2022, \$431,000) as a result of a change in value of the financial assets and liabilities denominated in those currencies.

#### Exposure to currency risk

The Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the U.S. dollar: cash and cash equivalents, accounts receivables, prepaid expenses, accounts payables and other liabilities, provisions and warrants liability. The currencies of the Company's financial instruments and other foreign currency denominated liabilities, based on notional amounts, were as follows:

	March 31, 2023		December 31, 2022	
	Canadian dollar	Brazilian Real	Canadian dollar	Brazilian Real
Cash and cash equivalents	\$ 3,880,389	\$ 33,569	\$ 4,870,384	\$ 22,113
Accounts receivable	60,251	2,923	47,876	1,753
Prepaid expenses	101,629	3,458	135,683	4,559
Accounts payable and accrued liabilities	(6,457)	(135,803)	(37,776)	(122,656)
Provisions	-	(233,298)	-	(227,887)
Warrants liability	(795,281)	-	(690,753)	-
Net balance sheet exposure	<b>\$ 3,240,531</b>	<b>\$ (329,151)</b>	<b>\$ 4,325,414</b>	<b>\$ (322,118)</b>

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

In respect of financial assets, the Company's policy is to invest cash at variable rates of interest in cash equivalents, in order to maintain liquidity, while preserving capital. The Company is exposed to interest rate risk on its short-term investments which were included in cash and cash equivalents at March 31, 2023. The short-term investment interest earned is based on prevailing one day to one year market savings interest rates which may fluctuate. Based on amounts as at March 31, 2023, a one percent change in the interest rate would change interest income by approximately \$7,600 (March 31, 2022: \$10,000). The Company has not entered into any derivative contracts to manage this risk.

# TriStar Gold, Inc.

## Notes to the Condensed Consolidated Interim Financial Statements (Unaudited) (Expressed in United States Dollars)

For the three-month periods ended March 31, 2023 and 2022

### 20. Fair Value Measurements

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.

Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from relevant markets.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly (for example, interest rate and yield curves observable at commonly quoted interval and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

As at March 31, 2023, the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3
<b>Liabilities</b>			
Warrants liability (Note 10)	\$ -	\$ 795,281	\$ -
	<b>\$ -</b>	<b>\$ 795,281</b>	<b>\$ -</b>

The following table provides the carrying value and the fair value of financial instruments at March 31, 2023:

	Carrying Amount	Fair Value
<b>Financial assets</b>		
Cash and cash equivalents (Note 6)	\$ 4,024,759	\$ 4,024,759
Accounts receivable	63,174	63,174
	<b>\$ 4,087,933</b>	<b>\$ 4,087,933</b>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	\$ 237,045	\$ 237,045
<b>Derivative instruments</b>		
Warrants liability (Note 10)	\$ 795,281	\$ 795,281

### 21. Subsequent Events

On May 15, 2023, a total of 75,000 stock options, previously granted to an investor relation consultant in January 2023, vested. The options expire on February 14, 2028, and have an exercise price of Can\$0.16 per option. Their total estimated fair value at grant date of \$5,979 was recorded in capital reserve.