

# **GENERATION**MINING

**Condensed Interim Consolidated Financial Statements  
For the Three Months Ended March 31, 2024 and 2023  
(expressed in Canadian dollars)  
(unaudited)**

# GENERATION MINING

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of Generation Mining Limited (the "Company") are the responsibility of the management and the Board of Directors of the Company.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Jamie Levy" (signed)

---

President and Chief Executive Officer

"Brian Jennings" (signed)

---

Chief Financial Officer

# GENERATION MINING

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Expressed in Canadian dollars) (Unaudited)

	March 31, 2024	December 31, 2023 (Audited)
<b>Assets</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 12,932,348	\$ 16,457,963
Receivables (note 12)	202,150	124,890
Prepaid expenses and security deposits	93,001	136,562
	<b>13,227,499</b>	<b>16,719,415</b>
<b>Non-Current:</b>		
Restricted cash and cash equivalents (note 9)	38,229	38,229
Land, buildings and equipment (note 7)	843,440	843,594
Right-of-use assets (note 9)	187,202	290,628
Security deposits (note 14)	80,000	226,229
Investment in associate (note 8)	1,893,796	2,104,679
	<b>3,042,667</b>	<b>3,503,359</b>
<b>Total Assets</b>	<b>\$ 16,270,166</b>	<b>\$ 20,222,774</b>
<b>Liabilities</b>		
<b>Current:</b>		
Accounts payable and accrued liabilities (note 10)	\$ 1,483,111	\$ 1,946,506
Share premium on flow through financing (note 11)	294,976	387,120
Lease liability (note 9)	2,302,340	2,459,192
	<b>4,080,427</b>	<b>4,792,818</b>
<b>Non-Current:</b>		
Precious metals purchase agreement (note 14)	44,633,138	44,731,750
Lease liability (note 9)	84,124	87,259
<b>Total Liabilities</b>	<b>48,797,689</b>	<b>49,611,827</b>
<b>Shareholders' Equity (Deficiency)</b>		
Capital stock (note 11)	80,429,321	80,429,321
Reserve for warrants and share-based payments (note 11)	7,538,932	7,372,816
Accumulated other comprehensive loss (note 14)	(2,602,649)	(2,602,649)
Deficit	(117,893,127)	(114,588,541)
<b>Total Shareholders' Equity (Deficiency)</b>	<b>(32,527,523)</b>	<b>(29,389,053)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 16,270,166</b>	<b>\$ 20,222,774</b>

Nature of operations (note 1)

Commitments and contractual obligations (notes 6 and 13)

Subsequent events (note 15)

Approved on behalf of the Board of Directors on May 14, 2024

(signed) "Jamie Levy", Director

(signed) "Paul Murphy", Director

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

# GENERATION MINING

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS (Expressed in Canadian dollars) (Unaudited)

	Three Months Ended March 31,	
	2024	2023
<b>Expenses</b>		
Acquisition, exploration and evaluation expenditures (note 6)	\$2,636,881	\$5,979,799
Share-based compensation (note 11)	166,115	151,762
Audit, legal and advisory fees	130,497	446,452
Management and corporate administration	380,269	419,747
Shareholder and investor communications	53,847	212,882
Occupancy cost (note 9)	23,914	29,432
Interest (note 9)	91,043	85,440
	<b>(3,482,566)</b>	<b>(7,325,514)</b>
<b>Other Income (Expenses)</b>		
Fair value gain (loss) on financial liability (note 14)	98,612	1,005,835
Flow through share premium recovery (note 11)	92,144	-
Share of loss in equity accounted investment (note 8)	(210,883)	-
Interest income	199,387	149,403
Foreign exchange (loss) gain	(1,280)	1,333
<b>Net Loss for the period</b>	<b>\$(3,304,586)</b>	<b>\$(6,168,943)</b>
<b>Loss per share:</b>		
Basic and diluted loss per share	<b>\$(0.01)</b>	<b>\$(0.03)</b>
Weighted average number of common shares outstanding	<b>236,053,408</b>	<b>181,517,408</b>

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

# GENERATIONMINING

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited)

	Three Months Ended March 31,	
	2024	2023
<b>Net Loss for the period</b>	<b>\$(3,304,586)</b>	<b>\$(6,168,943)</b>
<b>Other Comprehensive Loss</b>		
Loss on revaluation of financial liability (Note 14)	-	(2,915,909)
<b>Total Net Loss and Comprehensive Loss for the period</b>	<b>\$(3,304,586)</b>	<b>\$(9,084,852)</b>

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

# GENERATION MINING

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian dollars)

(Unaudited)

	Capital stock		Reserves for			Total Deficiency
	Shares	Amount	Accumulated other comprehensive income (loss)	Share-based payments	Accumulated deficit	
<b>Balance, December 31, 2022</b>	180,417,408	\$ 66,674,524	\$ -	\$ 6,053,144	\$ (96,825,284)	\$ (24,097,616)
Fair value of options vested	-	-	-	151,762	-	151,762
Issued on exercise of options	1,100,000	549,000	-	(233,000)	-	316,000
Loss on financial liability	-	-	\$ (2,915,908)	-	-	(2,915,908)
Net loss and comprehensive loss for the period	-	-	-	-	(6,168,943)	(6,168,943)
<b>Balance, March 31, 2023</b>	<b>181,517,408</b>	<b>\$ 67,223,524</b>	<b>\$ (2,915,908)</b>	<b>\$ 5,971,906</b>	<b>\$(102,994,226)</b>	<b>\$ (32,714,707)</b>

	Capital stock		Reserves for			Total Deficiency
	Shares	Amount	Accumulated other comprehensive income (loss)	Share-based payments reserve & Warrants	Accumulated deficit	
<b>Balance, December 31, 2023</b>	236,053,408	\$80,429,321	\$ (2,602,649)	\$7,372,816	\$(114,588,541)	\$(29,389,053)
Fair value of options vested	-	-	-	66,626	-	66,625
Fair value of RSUs and DSUs vested	-	-	-	99,490	-	99,490
Issued on exercise of options	-	-	-	-	-	-
Loss on financial liability	-	-	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(3,304,586)	(3,304,586)
<b>Balance, March 31, 2024</b>	<b>236,053,408</b>	<b>\$80,429,321</b>	<b>\$ (2,602,649)</b>	<b>\$7,538,932</b>	<b>\$(117,893,127)</b>	<b>\$(32,527,523)</b>

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

# GENERATION MINING

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

(Unaudited)

	Three Months Ended March 31,	
	2024	2023
<b>Operating Activities:</b>		
Net loss for the period	\$(3,304,586)	\$(6,168,943)
Add items not affecting cash:		
Share-based compensation	166,115	151,762
Flow through share premium recovery (note 11)	(92,144)	-
Depreciation of buildings and equipment (note 7)	23,671	22,495
Depreciation of right of use asset (note 9)	103,426	634,377
(Gain) loss on revaluation of financial liability (note 14)	(98,612)	(1,005,835)
Share of loss in equity accounted investment (note 8)	210,883	-
Write-off of Hycroft security deposit	146,229	
Changes in non-cash working capital:		
Receivables	(77,260)	1,400,231
Prepaid expenses and other	43,561	34,455
Accounts payable and accrued liabilities	(463,395)	(805,291)
<b>Cash used in operating activities</b>	<b>(3,342,112)</b>	<b>(5,736,749)</b>
<b>Investing Activities:</b>		
Purchase of equipment	(23,517)	-
<b>Cash used in investing activities</b>	<b>(23,517)</b>	<b>-</b>
<b>Financing Activities:</b>		
Proceeds from exercise of options	-	316,000
Repayment of lease liability	(159,986)	(100,018)
<b>Cash (used in) provided from financing activities</b>	<b>(159,986)</b>	<b>215,982</b>
<b>(Decrease) Increase in cash</b>	<b>(3,525,615)</b>	<b>(5,520,767)</b>
<b>Cash at beginning of period</b>	<b>16,457,963</b>	<b>18,766,791</b>
<b>Cash at end of period</b>	<b>\$12,932,348</b>	<b>\$13,246,024</b>

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

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 1. NATURE OF OPERATIONS:

Generation Mining Limited (“Generation Mining” or the “Company”) is an exploration and development company with various property interests throughout Canada. The Company was incorporated on January 11, 2018 under the Business Corporations Act (Ontario). On May 28, 2019, the Company incorporated a wholly owned subsidiary, Generation PGM Inc. (“Generation PGM”), to operate the Marathon property (“Marathon Property”) (note 6). The Company’s registered office is located at 100 King Street West, Suite 7010, Toronto, Ontario M5X 1B1. The Company’s shares are listed on the Toronto Stock Exchange (the “TSX”) under the symbol GENM, and on the OTC Markets (the “OTCQB”) under the symbol GENMF.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in future profitable mining operations. The Company’s continued existence is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to explore and develop potential ore reserves or by way of entering into joint venture arrangements, future profitable production, or alternatively, upon the Company’s ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.



# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 2. BASIS OF PREPARATION AND PRESENTATION:

#### Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the Company's annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted. These interim condensed consolidated financial statements should be read in conjunction with the Company's last annual consolidated financial statements for the year ended December 31, 2023, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 3: Material Accounting Policies to the consolidated financial statements for the year ended December 31, 2023.

These interim condensed consolidated financial statements were authorized and approved for issue by the Board of Directors on May 14, 2024.

#### Basis of Presentation

These interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Generation PGM. The financial statements of the subsidiaries are prepared for the same period as the Company using consistent accounting policies for all periods presented. All intercompany balances and transactions have been eliminated. Subsidiaries are entities controlled by the Company.

These interim condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of all liabilities in the normal course of business. The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which are measured at their fair values, as disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2023.

#### Critical accounting judgments, estimates and assumptions in applying the entity's accounting policies

Areas of judgment that have the most significant effect on the amounts recognized in these interim condensed consolidated financial statements are disclosed in Note 2 of the Company's annual consolidated financial statements for the year ended December 31, 2023.

### 3. ADOPTION OF NEW ACCOUNTING STANDARDS

Certain new accounting standards and interpretations have been published that are either applicable in the current year or not mandatory for the current period. We have assessed these standards, including Amendments to IAS 1 – Non-current Liabilities with Covenants, and determined they do not have a material impact on the Company in the current reporting period. No standards have been early adopted in the current period.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 4. FINANCIAL RISK FACTORS AND FAIR VALUE

The Company manages its exposure to a number of different financial risks arising from operations as well as from the use of financial instruments, including market risks (foreign currency exchange rate, interest rate and other price risk), credit risk and liquidity risk, through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The Company does not use derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in key economic indicators and to up-to-date market information. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

#### **Credit Risk**

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash, restricted cash, and receivables. The Company reduces its credit risk by maintaining its cash with a Canadian chartered bank. The Company's maximum exposure to credit risk as at March 31, 2024 is the carrying value of cash and cash equivalents, restricted cash and cash equivalents and receivables. The credit risk on receivables is deemed low as the majority is related to federal government refunds.

#### **Liquidity Risk**

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations in full. The Company's main source of liquidity is its cash. These funds are primarily used to finance working capital, exploration expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. As at March 31, 2024, the Company has current assets of \$13,227,499 (December 31, 2023 - \$16,719,415) to cover current liabilities of \$4,080,427 (December 31, 2023 - \$4,792,818). The current assets include cash and cash equivalents, marketable securities, receivables, prepaid expenses and security deposits. The Company also manages liquidity risk on the basis of expected maturity dates.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

#### 4. FINANCIAL RISK FACTORS AND FAIR VALUE (continued):

The following table analyzes financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Undiscounted lease liability – base contract	Undiscounted lease liability – operating costs	Accounts payable and accrued liabilities	Total
Less than 1 year	\$ 2,443,403	\$ 25,581	\$ 1,483,111	\$ 3,952,095
1-5 years	77,429	14,922	-	92,351
<b>Balance at March 31, 2024</b>	<b>\$ 2,520,832</b>	<b>\$ 40,503</b>	<b>\$ 1,483,111</b>	<b>\$ 4,044,446</b>

#### Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rate, foreign exchange rates, and commodity and equity prices affecting its cash and cash equivalents, receivables and marketable securities

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company has no significant exposure to foreign currency exchange risk as it has no significant transaction balances denominated in a foreign currency.

#### Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company has no significant exposure to interest rate risk as it has no material interest bearing assets or liabilities.

#### Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The Company is exposed to fluctuations in market prices of its marketable securities in a quoted mining exploration company. The fair value of these financial instruments represents the maximum exposure to price risk.

#### Precious Metal Purchase Agreement Fair Value Risk

The Company has a Precious Metal Purchase Agreement (“PMPA”) with Precious Metals Corp. (“Wheaton”). The Company is subject to movements in the fair value measurement of the financial liability. The movements in fair value during the period can be material.

#### Fair Value

The carrying value of cash and cash equivalents, restricted cash and cash equivalents, receivables, accounts payable and accrued liabilities and lease liabilities are considered to be representative of their fair value due to their short-term nature.

Financial liability associated with the Company’s precious metal purchase agreement is recorded at fair value and classified as Level 3 in the fair value hierarchy as some of the inputs do not have an observable or corroborated market data. The fair value of the stream obligation is calculated using the risk-free interest rate derived from the Bank of Canada long term treasury rate, consensus metal prices, company specific credit spread based on various debt term sheets received and expected gold and platinum ounces to be delivered from the current life of mine plan for the Marathon Project. See note 14 for further details.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 5. CAPITAL MANAGEMENT:

The Company manages its capital structure and makes adjustments to it, based on the funds required and available to the Company, in order to support the acquisition, exploration and development of mineral properties. As at March 31, 2024 the Company's capital consists of shareholders' deficiency in the amount of \$32,527,523 (December 31, 2023 shareholder's deficiency - \$29,389,053). The Board of Directors does not establish quantitative return on capital criteria for the Company, but rather relies on the expertise of the Company's management to sustain future development of the business..

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned and future exploration, and pay for administrative costs, the Company intends to raise additional amounts of working capital as needed although there is no guarantee this can be done on commercially suitable terms. The Company may continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There was no change in the year to the Company's approach to managing capital.

### 6. MINERAL PROPERTIES AND AGREEMENTS:

**Marathon, Ontario:** On January 26, 2022, Generation completed the acquisition whereby Generation issued 21,759,332 common shares of the Company to Stillwater. The Company now holds 100% of the Marathon Project, and the joint venture agreement dated July 10, 2019 between Stillwater and the Company has been terminated in accordance with its terms.

**Darnley Bay, Northwest Territories:** The Company held the exclusive rights to a mineral concession covering the Inuvialuit Settlement Region's lands, where the Inuvialuit hold the mineral and surface rights, through an exploration and development agreement with the Inuvialuit Regional Corporation (the "IRC"). On January 27, 2023, the Company sold its interest in the Darnley Bay mineral concession to Elton Resources ("Elton") under an Asset Purchase Agreement ("APA"). As per the APA, \$150,000 was remitted by Elton to the IRC and Elton entered into a new exploration and development agreement with the IRC. The APA states that Elton is to complete a Going Public Transaction by February 28, 2025 (formerly August 21, 2024, but extended by mutual agreement). Prior to the Going Public transaction, \$4 million of Elton stock is to be issued to the Company and, upon completion of the Going Public transaction, \$850,000 cash is to be paid to the Company. The APA has been amended to allow Elton to issue additional equity prior to the Going Public Transaction, with the Company receiving a guaranteed minimum 16% equity interest in the public company immediately following the Going Public Transaction. If Elton does not complete the Going Public Transaction by February 28, 2025, the mineral concession interest is to revert back to the Company.

**Davidson, British Columbia:** On November 15, 2023, the Company sold its rights and interests in the Davidson Property to Moon River Capital Ltd. ("Moon River") for \$630,000 in cash and 9 million common shares of Moon River (note 8).

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 6. MINERAL PROPERTIES AND AGREEMENTS (continued):

#### Mineral Property Expenditures:

Below are the acquisition, exploration and evaluation expenditures for the three months ended March 31, 2024 and 2023.

	Three months ended March 31	
	2024	2023
Davidson	\$ -	\$ 128,844
Marathon	2,636,881	5,850,955
<b>Total mineral property expenditures</b>	<b>\$ 2,636,881</b>	<b>\$ 5,979,799</b>

Below are the cumulative acquisition, exploration and evaluation expenditures as at March 31, 2024 and 2023.

	Cumulative December 31, 2023 (audited)	Acquisition	Exploration and evaluation	Cumulative March 31, 2024
Darnley Bay	\$ 576,941	\$ -	\$ -	\$ 576,941
Davidson	848,304	-	-	848,304
Marathon	91,881,330	-	2,636,881	94,518,211
<b>Total expenditures</b>	93,306,575	-	2,636,881	95,943,456
Mineral properties acquired	1,216,848	-	-	1,216,848
<b>Total mineral property expenditures</b>	<b>\$ 94,523,423</b>	<b>\$ -</b>	<b>\$ 2,636,881</b>	<b>\$97,160,304</b>

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 6. MINERAL PROPERTIES AND AGREEMENTS (continued):

#### Mineral Property Expenditures (continued)

	Cumulative December 31 2022 (audited)	Acquisition	Exploration and evaluation	Cumulative December 31, 2023
Darnley Bay	\$576,941	\$ -	\$ -	\$ 576,941
Davidson	715,018	133,286	-	848,304
Marathon	77,150,210	-	14,731,120	91,881,330
<b>Total expenditures in the year</b>	78,442,169	133,286	14,731,120	93,306,575
Mineral properties acquired	1,216,848	-	-	1,216,848
<b>Total mineral property expenditures</b>	\$ 79,659,017	133,286	\$ 14,731,120	\$ 94,523,423

### 7. LAND, BUILDINGS AND EQUIPMENT:

	Land and buildings <sup>(1)</sup>	Vehicles & Equipment	Total
<b>Cost</b>			
As at December 31, 2022	\$ 1,067,810	\$ 68,494	\$ 1,136,304
Additions	-	-	-
As at December 31, 2023	\$ 1,067,810	\$ 68,494	\$ 1,136,304
Additions	-	23,517	23,517
<b>As at March 31, 2024</b>	<b>\$ 1,067,810</b>	<b>\$ 92,011</b>	<b>\$ 1,159,821</b>
<b>Accumulated depreciation</b>			
As at December 31, 2022	\$ 187,635	\$ 15,096	\$ 202,731
Depreciation expense	76,281	13,698	89,979
As at December 31, 2023	\$ 263,916	\$ 28,794	\$ 292,710
Depreciation expense	19,070	4,601	23,671
<b>As at March 31, 2024</b>	<b>\$ 282,986</b>	<b>\$ 33,395</b>	<b>\$ 316,381</b>
<b>Net book value</b>			
As at December 31, 2022 (audited)	\$ 880,175	\$ 53,398	\$ 933,573
As at December 31, 2023 (audited)	\$ 803,894	\$ 39,700	\$ 843,594
<b>As at March 31, 2024</b>	<b>\$ 784,824</b>	<b>\$ 58,616</b>	<b>\$ 843,440</b>

### 8. INVESTMENT IN ASSOCIATE:

On November 15, 2023 the Company entered into an agreement with Moon River Capital Ltd. ("Moon River") whereby Generation sold its rights and interests in an agreement to acquire a 100% interest in the Davidson Property hosting a molybdenum-tungsten deposit for \$630,000 in cash and 9 million common shares of Moon River ("MR Shares") valued at \$0.25 for total proceeds of \$2,880,000. As at December 31, 2023 and March 31, 2024, the Company held 27.3% of the issued and outstanding common shares of Moon River.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 8. INVESTMENT IN ASSOCIATE (continued):

The MR Shares are subject to certain sale restrictions if Generation holds 10% or greater of the issued and outstanding common shares of Moon River. The sale restrictions are as follows: 1) Moon River will have the option to identify the buyer of the MR Shares until November 15, 2025, and 2) Generation will be restricted from open market sales based on certain historical daily volume averages of Moon River common shares. The MR Shares are also subject to TSX.V escrow conditions whereby the shares will be released from escrow as follows: 900,000 shares November 15, 2023 (released); 1,350,000 shares on each of May 15, 2024, November 15, 2024, May 15, 2025, November 15, 2025, May 15, 2026, and November 15, 2026. Generation also has the right to appoint a director to the Board of Moon River and will have the right to maintain its pro rata equity interest for as long as it continues to hold greater than 10% of the issued and outstanding Common Shares.

As a result of Generation's 27.3% interest in Moon River as at November 15, 2023, the Company has determined that it has significant influence over Moon River and has accounted for its investment as an Investment in Associate using the equity basis of accounting. The Company recorded a fair value of \$2,200,000 for the cost of its investment. Fair Value was estimated based on the share price of the financing completed concurrent with closing, less transaction costs of \$50,000.

As at March 31, 2024 the closing price of Moon River shares (MOO.V) was \$0.65 and the fair value of the 9 million shares was \$5,850,000.

Changes in the investment in associate for the period ended March 31, 2024, were as follows:

<b>Balance as at December 31, 2022</b>	-
Acquisition at fair value as at November 15, 2023	\$ 2,200,000
Share of Moon River net loss for the period	(95,321)
<b>Balance as at December 31, 2023</b>	\$ 2,104,679
Share of Moon River net loss for the period	(210,883)
<b>Balance as at March 31, 2024</b>	\$ 1,893,796

The following is a summary of the unaudited financial information for Moon River on a 100% basis as at March 31, 2024 and the net loss for the quarter ended March 31, 2024:

Cash and cash equivalents	\$ 1,343,571
Other current assets	134,027
Non-current assets	-
Current liabilities	103,351
Non-current liabilities	-
Net Loss for the quarter ended March 31, 2024	616,824

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 9. RIGHT-OF-USE ASSET AND LEASE LIABILITY:

The Company has entered into a camp lease, an office lease and vehicle lease. Accordingly, the Company recognized right-of-use assets. The camp lease was remeasured in 2023 due to a lease extension.

	3 months ended March 31, 2024	Year ended December 31, 2023
Opening balance	\$ 290,628	\$ 1,948,310
Lease remeasurement	-	(272,494)
Addition	-	25,574
Depreciation	(103,426)	(1,410,762)
<b>Ending Balance</b>	<b>\$ 187,202</b>	<b>\$ 290,628</b>

At the commencement date of the lease, the lease liabilities were measured at the present value of the lease payments. The lease payments are discounted using an interest rate of 15%, which is considered the Company's unsecured incremental borrowing rate. The continuity of lease liabilities is outlined below:

	3 months ended March 31, 2024	Year ended December 31, 2023
Opening balance	\$ 2,546,451	\$ 3,300,859
Lease remeasurement	-	(272,493)
Addition	-	25,574
Accretion of interest	91,043	378,884
Payments	(251,030)	(886,373)
Total lease liability	\$ 2,386,464	\$ 2,546,451
Less: current portion	(2,302,340)	(2,459,192)
<b>Non-current portion of lease liability</b>	<b>\$ 84,124</b>	<b>\$ 87,259</b>

The occupancy cost, vehicle lease cost and camp costs in the statement of loss and comprehensive loss for the three months ended March 31, 2024 is \$118,413 (March 31, 2023 - \$655,117). Of this amount, \$94,499 (March 31, 2023 - \$625,685) for vehicle lease cost and camp costs are included in evaluation and exploration expenditures in the statement of loss and comprehensive loss.

As required under the office lease agreement, the Company has \$38,229 of funds held in GICs as security for the lease as at March 31, 2024 (December 31, 2023 - \$38,229).

### 10. RELATED PARTY TRANSACTIONS:

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	3 months ended March 31, 2024	2023
Salaries and bonuses	\$ 536,671	\$ 565,838
Share-based payments - options	26,558	92,267
Share-based payments - RSUs and DSUs	99,490	-
Total compensation to key management	\$ 662,719	\$ 658,105

As at March 31, 2024, accrued compensation includes \$62,994 (March 31, 2023 - \$886,574) due to key management of the Company.

On November 15, 2023, the Company sold its rights and interests in the Davidson Property to Moon River (note 8). At the time of the transaction, Moon River had two directors in common with the Company.



# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 11. CAPITAL STOCK:

#### Common shares

The Company's authorized share capital consists of an unlimited number of common shares.

The following table summarizes the continuity of common shares for the three month period ended March 31, 2024

	Number of shares	\$
<b>Balance as at December 31, 2022</b>	<b>180,417,408</b>	<b>66,674,524</b>
Issued in public offering <sup>(1)</sup>	52,536,000	12,845,797
Shares issued for exercise of options	3,100,000	909,000
<b>Balance as at December 31, 2023 and March 31, 2024</b>	<b>236,053,408</b>	<b>80,429,321</b>

#### Warrants

The following table summarizes the continuity of warrants for the three month period ended March 31, 2024.

	Number of warrants
<b>Outstanding, December 31, 2022</b>	-
Warrants issued <sup>(1)</sup>	10,507,200
<b>Outstanding, December 31, 2023 and March 31, 2024</b>	<b>10,507,200</b>

<sup>(1)</sup> On November 21, 2023, the Company closed a financing that consisted of 42,858,000 units ("Units") in the capital of the Company at a price of \$0.28 per Unit, and 9,678,000 flow-through units ("FT Units") in the capital of the Company at a price of \$0.32 per FT Unit for aggregate gross proceeds of \$15,097,200 ("Offering"). The total share issue cost was \$1,233,851 which included a 6% underwriting fee. The flow through share premium was \$387,120. Each Unit and each FT Unit consisted of one common share in the capital of the Company and one-fifth of one common share purchase warrant of the Company. Each Warrant is exercisable to acquire one Common Share at a price of \$0.50 for a period of 36 months from the closing date of the Offering, November 21, 2023. The fair value of the warrants have an estimated grant date fair value of \$630,432 which was estimated using the Black Scholes option pricing model and the following assumptions: Risk-free interest rate 4.22%, expected volatility of 61.86%, dividend yield nil, expected life 3 years.

#### Flow-through Premium Liability

Flow-through premium liability consists of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuances.

<b>Balance, December 31, 2022</b>	-
Liability incurred on flow through shares issued November 2023	\$ 387,120
<b>Balance, December 31, 2023</b>	<b>\$ 387,120</b>
Settlement of flow-through premium liability by incurring expenditures	(92,144)
<b>Balance, March 31, 2024</b>	<b>\$ 294,976</b>

On November 21, 2023, the Company issued 9,678,000 flow-through shares of the Company at a price of \$0.32 per share. The premium paid by investors was calculated as \$0.04 per share. Accordingly, \$387,120 was recorded as flow-through premium liability.

As at March 31, 2024, the Company had a remaining commitment to incur exploration expenditures of approximately \$2,359,808 (December 31, 2023 - \$3,096,960) in relation to its flow-through share financing.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 11. CAPITAL STOCK (continued):

#### Equity Plan

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the “Plan”). The Plan was amended in July 2020. The Company subsequently adopted an Omnibus Equity Incentive plan (the “Equity Plan”) on May 11, 2023, which received shareholder approval on June 28, 2023. With the approval of the Equity Plan, the Option Plan was terminated and all of the issued and outstanding stock options granted under the Option Plan are now governed by the Equity Plan.

Under the Equity Plan, the Company can issue stock options (“Options”), deferred share units (“DSUs”), restricted share units (“RSUs”) and performance share units (“PSUs”, and collectively with Options, DSUs and PSUs, the “Awards”), as applicable, to directors, employees and consultants in accordance with the terms of the Equity Plan. The maximum number of Common Shares issuable under the Equity Plan will not exceed 10% of the issued and outstanding Common Shares. Limits have also been set in respect of the maximum number of Awards that may be issued to insiders at any time, as well as within any one-year period. The Equity Plan is a rolling plan, therefore, the number of shares that have been reserved for issuance under the Equity Plan will increase when the Company’s issued and outstanding common shares increase. The Awards are non-assignable and non-transferable, except upon death.

The continuity of outstanding stock options for the three month period ended March, 2024 is as follows:

	Number of options	Weighted Average Exercise Price
<b>Outstanding, December 31, 2022</b>	<b>16,775,000</b>	<b>0.57</b>
Options granted	602,059	<b>0.58</b>
Options exercised	(3,100,000)	<b>0.17</b>
Options forfeited	(75,000)	<b>1.06</b>
<b>Outstanding, December 31, 2023 and March 31, 2024</b>	<b>14,202,059</b>	<b>0.65</b>

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 11. CAPITAL STOCK (continued):

#### Equity Plan

The fair value of options granted under the Plan is measured on the date of grant using the Black-Scholes pricing model and expensed to net income (loss) using the following inputs and assumptions at the measurement date:

Date	Number of Options	Exercise Price (\$)	Market Price (\$)	Expected Volatility (%) <sup>(1)</sup>	Risk-free Interest Rate (%)	Expected Life (years)/ Dividend Yield (%)	Fair Value of Options (\$)	Vesting
02-Aug-22	400,000	0.64	0.66	84	3.00	3 / 0%	148,000	1/3 <sup>rd</sup> vesting
05-Apr-23	602,059	0.58	0.57	64	3.32	3 / 0%	150,515	1/3 <sup>rd</sup> vesting

<sup>(1)</sup> Based on the Company's historical volatility.

Options to purchase common shares carry exercise prices and terms to maturity as follows:

Exercise price \$	Options Outstanding	Options Exercisable	Expiry date	Remaining contractual life (years)
1.06	1,950,000	1,950,000	May 12, 2024	0.1
0.30	2,625,000	2,625,000	July 16, 2024	0.3
0.30	200,000	200,000	August 7, 2024	0.4
0.80	1,150,000	1,150,000	September 21, 2024	0.5
0.65	500,000	500,000	February 5, 2025	0.9
0.85	900,000	900,000	February 18, 2025	0.9
0.45	750,000	750,000	March 18, 2025	1.0
0.99	975,000	649,999	April 13, 2025	1.0
0.52	2,450,000	2,450,000	April 20, 2025	1.1
0.80	200,000	133,333	June 21, 2025	1.2
0.52	550,000	416,666	July 19, 2025	1.3
0.64	400,000	266,666	August 2, 2025	1.3
0.52	450,000	450,000	November 6, 2025	1.6
1.00	500,000	500,000	March 8, 2026	1.9
0.58	602,059	200,685	April 5, 2026	2.0
<b>0.65<sup>(1)</sup></b>	<b>14,202,059</b>	<b>13,142,349</b>		<b>0.8<sup>(1)</sup></b>

<sup>(1)</sup> Weighted average

The stock-based compensation expense relating to stock options for the three month period ended March 31, 2024 was \$66,625 (March 31, 2023 – \$151,762)

On August 28, 2023, the Company granted Restricted Share Units ("RSUs") to executives and granted Deferred Share Units ("DSUs") to non-executive directors. The total number of RSU's granted were 1,737,500 and have a three-year vesting term commencing on the grant date. The total number of DSU's granted were 1,250,200 and are fully vested at the grant date and become payable upon retirement of the directors. The fair value of the RSUs and DSUs awarded to executives and non-executive directors is determined as of the date of grant and recognized as share-based compensation expense over the vesting period of the equity instruments with a corresponding increase to contributed surplus. The fair value of RSUs and DSUs is the market value of the underlying shares as of the date of grant.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 11. CAPITAL STOCK (continued):

#### Equity Plan

The continuity of outstanding RSUs for the three month period ended March 31, 2024 is as follows:

	Number of RSUs	Weighted Average Grant Price
<b>Outstanding, December 31, 2022</b>	-	-
RSUs granted	1,737,500	0.38
<b>Outstanding, December 31, 2023 and March 31, 2024</b>	<b>1,737,500</b>	<b>0.38</b>

The continuity of outstanding DSUs for the nine month period ended September 30, 2023 is as follows:

	Number of DSUs	Weighted Average Grant Price
<b>Outstanding, December 31, 2022</b>	-	-
DSUs granted	1,250,200	0.38
<b>Outstanding, December, 2023 and March 31, 2024</b>	<b>1,250,200</b>	<b>0.38</b>

The stock-based compensation expense relating to RSUs and DSUs for the three-month period ended March 31, 2024 was \$99,490 (March 31, 2023 – nil).

### 12. RECEIVABLES

The Company's receivables primarily arise from harmonized sales tax ("HST") due from the Canadian government.

The amounts receivable are as follows:

	March 31, 2024	December 31, 2023
HST receivable	\$ 183,140	\$ 105,880
Miscellaneous	19,010	19,010
<b>Total</b>	<b>\$ 202,150</b>	<b>\$ 124,890</b>

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 13. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The following table summarizes the future commitments and contractual obligations as at March 31, 2024:

	Office Lease	Vehicles	Valard Equipment	Total
2024	61,839	41,963	2,305,000	2,408,802
2025	68,710	37,514	-	106,224
2026	-	4,448	-	4,448
<b>Total</b>	<b>\$130,549</b>	<b>\$83,925</b>	<b>\$2,305,000</b>	<b>\$2,519,474</b>

The Company indemnifies subscribers of flow-through share offerings against any tax related amounts that may become payable. There were \$2,359,808 of unrenounced Canadian Exploration Expenses as at March 31, 2024. Commitments pursuant to various property option agreements are outlined under note 6.

#### Office Lease

On February 20, 2019, the Company co-signed a lease for office space commencing on May 1, 2019 for a term of six years and six months. The Company has an average monthly commitment of \$11,067 for its share of the basic and additional rent.

#### Valard Equipment

On July 12, 2022, Generation PGM entered into an agreement with Valard Equipment LP for the lease of a construction camp located in Marathon, Ontario until June 30, 2024 (originally June 30, 2023 but extended by mutual agreement) (the "Lease Term") and an option, exercisable at Generation PGM's discretion, to purchase the Camp on or before the end of the Lease Term. In connection with this agreement, Generation PGM has also leased the existing serviced camp site from the Town of Marathon. In the event the Company does not exercise its option to purchase the camp on June 30, 2024 it must pay \$800,000 to Valard for demobilization of the camp.

#### Hycroft Mining Equipment

On August 8, 2022, Generation PGM entered into an agreement with Hycroft Mining Holding Corporation ("Hycroft"), as subsequently amended, for the purchase of an unused surplus SAG mill, ball mill and main sub-station and power transformers (the "Hycroft Equipment"), currently stored in Nevada and Texas, USA for US\$13,600,000, of which US\$500,000 was paid on signing, US\$500,000 was paid on September 9, 2022, and US\$50,000 was paid on December 30, 2022. On May 15, 2023, the terms of the agreement were amended to include a payment of US\$100,000 on signing and US\$50,000 for every US\$1,000,000 raised in equity like financings, to a maximum of US\$400,000 with the balance due on June 30, 2024. In connection with the financing completed on November 21, 2023 the Company paid US\$400,000. In connection with the Hycroft Equipment purchase, Generation also agreed to assume certain costs related to the Mills, including storage, and insurance, until completion of the sale. Interest is payable on the balance outstanding at a rate of 5% per annum for the period from January 1, 2023 to March 31, 2023 and 7.5% per annum for the period from April 1, 2023 to June 30, 2024.

On December 31, 2023 the agreement was further amended to allow for the Hycroft Equipment to be marketed to third parties and for Generation to terminate the purchase agreement in respect of (a) the SAG Mill and ball mill (the "Mills") and/or (b) the main sub-station and power transformers (the "Electrical Equipment") on or before June 30, 2024. In connection with this amendment, Generation also agreed to cover certain additional expenses incurred by Hycroft in the event Generation elects to complete the purchase of the Hycroft Equipment. On February 29, 2024, the Company terminated its purchase of the Mills, and effective April 5, 2024, the Company terminated its purchase of the Electrical Equipment and has written off the associated security deposits.

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 14. PRECIOUS METALS PURCHASE AGREEMENT

The Company and its 100% owned subsidiary Generation PGM entered into a definitive Precious Metal Purchase Agreement (“PMPA”) with Wheaton in respect to the Marathon Project which became effective on January 26, 2022.

Pursuant to the PMPA, Wheaton will pay the Company total upfront cash consideration of \$240,000,000, \$40,000,000 of which was paid (\$20,000,000 on March 31, 2022 (“First Early Deposit”) and \$20,000,000 on September 7, 2022) on an early deposit basis prior to construction to be used for development of the Marathon Project. The remainder of \$200,000,000 is payable in four staged instalments during construction (“Construction Payments”), subject to various customary conditions being satisfied. Generation Mining and its subsidiary Generation PGM, have provided Wheaton a first ranking security interest over all their assets and various time sensitive performance guarantees relating to the development of the Project.

Under the PMPA, Wheaton will purchase 100% of the payable gold production until 150 thousand ounces (“koz”) have been delivered, thereafter dropping to 67% of payable gold production for the life of the mine; and 22% of the payable platinum production until 120 koz have been delivered, thereafter dropping to 15% for the life of mine.

Wheaton will make ongoing payments for the gold and platinum ounces delivered equal to 18% of the spot prices (“Production Payment”) until the value of gold and platinum delivered less the Production Payment is equal to the upfront consideration of \$240,000,000, at which point the Production Payment will increase to 22% of the spot price.

The term of the agreement is 20 years, renewable at WPM’s election for an additional 10 years.

From the first anniversary date of the First Early Deposit until the first Construction Payment the Company will be subject to a Delay Payment of 250 ounces of gold per month. The Delay Ounce balance is payable in gold deliveries from operations and the Company has an option to settle in cash. In the event there has not been a Construction Payment by the fourth anniversary of the First Early Deposit the full Delay Ounce balance is payable.

The Company has designated the stream obligation as a financial liability at fair value through profit or loss (“FVTPL”) under the scope of IFRS 9. Fair value adjustments are recorded in the consolidated statement of income and fair value adjustments related to the Company’s own credit risk are recorded in other comprehensive income, as required by IFRS 9 for financial liabilities designated as at FVTPL.

Accordingly, the Company values the liability at the present value of its expected future cash flows at each reporting period with changes in fair value reflected in the consolidated income statements and consolidated statements of comprehensive income. Fair value adjustments represent the net effect of changes in the variables included in the Company’s valuation model reporting dates.

Components of the adjustment to fair value for the derivative financial liabilities at each reporting date include:

- Accretion expense
- Change in the risk-free interest rate
- Change in the amount or timing of any expected ounces to be delivered
- Change in future metal prices
- Change in future foreign exchange assumptions
- Change in the Company specific credit spread

# GENERATIONMINING

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

### 14. PRECIOUS METALS PURCHASE AGREEMENT (continued):

The following is a summary of the change in non-current derivative financial liability:

<b>Precious metals purchase agreement, December 31, 2022</b>	<b>\$ 40,784,093</b>
Fair value gain through profit and loss	1,345,008
Fair value loss relating to changes in Company's own credit risk	2,602,649
<b>Precious metals purchase agreement, December 31, 2023</b>	<b>\$ 44,731,750</b>
Fair value gain through profit and loss	(98,612)
<b>Precious metals purchase agreement, March 31, 2024</b>	<b>\$ 44,633,138</b>

### 15. SUBSEQUENT EVENTS:

Subsequent to quarter end, 2,405,300 stock options were granted to employees, exercisable for three years at \$0.29, with one third vesting immediately, one third after one year and one third after two years. The company also granted 1,185,500 Restricted Share Units ("RSUs") to employees and granted 1,637,800 Deferred Share Units ("DSUs") to non-executive directors. The RSU's granted vest one third annually on each anniversary of the grant date. The DSUs granted fully vest at the grant date and become payable upon retirement of the directors.