GOLD MOUNTAIN

Gold Mountain Mining Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED APRIL 30, 2023 AND 2022

(Unaudited – Expressed in Canadian Dollars)

(Unaudited – Expressed in Canadian Dollars)

	Notes		April 30, 2023		January 31, 2023
Assets					
Current assets					
Cash		$	**2,911,261**	$	3,203,419
Trade and other receivables	4		**1,402,890**		2,618,634
Tax credit receivable	6		**737,165**		737,165
Inventory	5		**285,116**		35,049
Prepaid expenses and deposits			**82,288**		38,689
			5,418,720		6,632,956
Non-current assets					
Prepaid expenses and deposits			**20,571**		22,063
Property and equipment	6		**41,208,405**		38,069,876
Reclamation deposits			**1,290,761**		1,290,761
Total Assets		$	**47,938,457**	$	46,015,656
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	7,14	$	**3,231,894**	$	2,872,914
Short-term loans			**83,082**		82,379
Current portion of lease payable	8		**174,810**		31,337
Current portion of promissory note	9		**2,978,360**		2,861,160
Other provision	10		**256,000**		256,000
			6,724,146		6,103,790
Non-current liabilities					
Lease payable	8		**283,707**		41,478
Reclamation provision	10		**2,283,953**		2,230,989
Total Liabilities			**9,291,806**		8,376,257
Shareholders' Equity					
Share capital	11		**54,755,166**		54,745,984
Warrants reserve	11		**6,174,701**		6,319,393
Contributed surplus	11		**3,183,818**		3,001,665
Accumulated deficit			**(25,467,034)**		(26,427,643)
Total Shareholders' Equity			**38,646,651**		37,639,399
Total Liabilities and Shareholders' Equity		$	**47,938,457**	$	46,015,656

Nature of operations and going concern – Note 1
Commitments – Note 17
Subsequent events – Note 18

Approved on behalf of the Board:

Signed *"Blake Steele"*, Director   Signed *"Kevin Smith"*, Director

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

(Unaudited – Expressed in Canadian Dollars)

	Notes	Three Months Ended April 30, 2023	2022
Revenue	12	**$ 4,168,376**	$ 3,706,423
Cost of sales	13	**(2,576,000)**	(2,781,003)
Gross income		**1,592,376**	925,420
Other operating expenses			
Management, director and consulting fees	14	**190,633**	183,625
General and administration		**46,471**	52,135
Investor relations		**31,781**	55,745
Marketing		**38,500**	76,985
Professional fees		**150,518**	119,730
Regulatory and transfer agent fees		**26,798**	41,402
Share-based payments	11,14	**19,536**	542,805
Travel		**1,202**	444
Total other operating expenses		**(505,439)**	(1,072,871)
Income (loss) from operations		**1,086,937**	(147,451)
Other items			
Finance income		**14,672**	3,198
Finance and accretion expense	8,9	**(141,000)**	(219,779)
Recovery of flow-through share premium		**-**	126,216
Total other items		**(126,328)**	(90,365)
Income (loss) before income tax		**960,609**	(237,816)
Income and mining tax expense		-	-
Income (loss) and comprehensive income (loss)		**$ 960,609**	$ (237,816)
Income (loss) per share - basic		**$ 0.01**	$ (0.00)
Income (loss) per share - diluted		**$ 0.01**	$ (0.00)
Weighted average number of common shares outstanding			
- basic		**88,025,795**	73,945,184
- diluted		**88,855,750**	73,945,184

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

(Unaudited – Expressed in Canadian Dollars)

	Notes	Number of shares		Share capital		Warrants reserve		Contributed surplus		Accumulated deficit		Total
Balance at January 31, 2021		71,014,144	$	36,213,153	$	4,562,511	$	3,772,386	$	(21,563,235)	$	22,984,815
Shares issued on exercise of warrants		651,926		1,194,821		(411,263)		-		-		783,558
Shares issued on exercise of options		196,000		301,554		-		(157,554)		-		144,000
Shares issued for RSUs		332,750		664,203		-		(664,203)		-		-
Shares issued for PSUs		540,000		760,497		-		(760,497)		-		-
Shares issued in public offering		14,800,000		16,305,357		2,194,643		-		-		18,500,000
Broker warrants		-		-		224,855		-		-		224,855
Share issuance costs		-		(1,118,834)		(150,591)		-		-		(1,269,425)
Share-based payments		-		-		-		554,370		-		554,370
Net loss for the period		-		-		-		-		(237,816)		(237,816)
Balance at April 30, 2022		87,534,820	$	54,320,751	$	6,420,155	$	2,744,502	$	(21,801,051)	$	41,684,357
Balance at January 31, 2022		**87,999,671**	**$**	**54,745,984**	**$**	**6,319,393**	**$**	**3,001,665**	**$**	**(26,427,643)**	**$**	**37,639,399**
Shares issued for PSUs	11	**75,000**		**9,182**		**-**		**(9,182)**		**-**		**-**
Share-based payments	11	**-**		**-**		**-**		**46,643**		**-**		**46,643**
Expired warrants	11	**-**		**-**		**(144,692)**		**144,692**		**-**		**-**
Net income for the period		**-**		**-**		**-**		**-**		**960,609**		**960,609**
Balance at April 30, 2023		**88,074,671**	**$**	**54,755,166**	**$**	**6,174,701**	**$**	**3,183,818**	**$**	**(25,467,034)**	**$**	**38,646,651**

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

(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended April 30, 2023	2022
Operating activities		
Net income (loss)	$ **960,609**	$ (237,816)
Adjustments for non-cash items:		
Depletion and amortization	**174,869**	116,335
Share-based payments	**43,910**	550,046
Finance and accretion expense	**139,118**	219,779
Recovery of flow-through share premium	**-**	(126,216)
Changes in non-cash working capital items:		
Trade and other receivables	**1,215,744**	(1,279,697)
Tax credit receivable	**-**	58,851
Prepaid expenses and deposits	**(54,128)**	7,799
Inventory	**(233,168)**	(120,000)
Accounts payable and accrued liabilities	**(862,903)**	198,322
Net cash flows provided by (used in) operating activities	**1,384,051**	(612,597)
Investing activities		
Exploration and evaluation expenditures	**(27,708)**	(846,877)
Mineral property expenditures	**(1,378,712)**	(402,379)
Purchase of building and equipment	**(182,245)**	(208,483)
Net cash flows used in investing activities	**(1,588,665)**	(1,457,739)
Financing activities		
Lease payments	**(87,544)**	(7,834)
Shares issued for cash, net of share issuance costs	**-**	17,416,541
Transaction costs on share issuances	**-**	(4,000)
Proceeds from exercise of warrants	**-**	783,558
Proceeds from exercise of options	**-**	144,000
Net cash flows (used in) provided by financing activities	**(87,544)**	18,332,265
Net (decrease) increase in cash	**(292,158)**	16,261,929
Cash, beginning of the period	**3,203,419**	2,557,764
Cash, end of the period	**$ 2,911,261**	**$ 18,819,693**
Other information		
Interest paid - cash	$ **1,882**	$ -
Taxes paid - cash	$ **-**	$ -

Supplemental cash flow information – Note 15

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed interim consolidated financial statements have been prepared by management on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for at least twelve months from April 30, 2023. There are conditions and events which constitute material uncertainties that may cast significant doubt on the validity of this assumption.

As of April 30, 2023, the Company had a working capital deficit of $1,305,426. For the three months ended April 30, 2023, the Company earned net income of $960,609, received cash from operating activities of $1,384,051, and used cash of $1,676,209 for investing and financing activities.

The ongoing operations and capital expenditures of the Elk Mine are dependent on the Company's ability to generate sufficient cash flow from production, which is subject to operational performance, achieving targeted production levels and the price of gold or the Company's ability to raise additional financing. During the year ended January 31, 2023, the Company experienced challenges during commissioning with respect to both grade control and sampling processes, which resulted in lower than forecast ore production during initial ramp-up. To continue operations at the Elk Mine, the Company will need to improve operational performance and may require additional equity, debt or an alternative form of financing. While the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future. These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material. Subsequent to April 30, 2023, the Company entered into a silver royalty which generated a $2,500,000 immediate cash infusion, which facilitated the final property payment of $3,000,000 to Sandbox Royalties Corp. (see Note 18).

2. BASIS OF PRESENTATION

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

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

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

(Unaudited – Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

4. TRADE AND OTHER RECEIVABLES

As of:		**April 30, 2023**		January 31, 2023
Trade receivables	**$**	**1,334,957**	$	2,471,107
GST receivables		**64,704**		141,798
Other receivables		**3,229**		5,729
	$	**1,402,890**	$	2,618,634

5. INVENTORY

The Company had $285,116 of crushed ore inventory as of April 30, 2023 (January 31, 2023 - $35,049). The crushed ore inventory was shipped and delivered in May 2023 to the New Afton Mine for processing.

6. PROPERTY AND EQUIPMENT

		Exploration and evaluation		Mineral property		Building and equipment		Total
Balance as at January 31, 2022	**$**	**5,730,013**	**$**	**20,485,585**	**$**	**1,389,980**	**$**	**27,605,578**
Additions		3,502,599		7,258,760		328,471		11,089,830
Depreciation and amortization		-		(257,356)		(290,801)		(548,157)
Exploration tax credits		-		(453,849)		-		(453,849)
Change in estimate in reclamation obligation		-		376,474		-		376,474
Balance as at January 31, 2023	**$**	**9,232,612**	**$**	**27,409,614**	**$**	**1,427,650**	**$**	**38,069,876**
As at January 31, 2023								
Cost	$	9,232,612	$	27,666,970	$	1,803,100	$	38,702,682
Accumulated depreciation		-		(257,356)		(375,450)		(632,806)
Net book value	**$**	**9,232,612**	**$**	**27,409,614**	**$**	**1,427,650**	**$**	**38,069,876**
Balance as at January 31, 2023	**$**	**9,232,612**	**$**	**27,409,614**	**$**	**1,427,650**	**$**	**38,069,876**
Additions		40,504		2,602,555		650,896		3,293,955
Depletion and amortization		-		(98,554)		(93,215)		(191,769)
Change in estimate in reclamation obligation		-		36,343		-		36,343
Balance as at April 30, 2023	**$**	**9,273,116**	**$**	**29,949,958**	**$**	**1,985,331**	**$**	**41,208,405**
As at April 30, 2023								
Cost	$	9,273,116	$	30,305,868	$	2,453,996	$	42,032,980
Accumulated depreciation and depletion		-		(355,910)		(468,665)		(824,575)
Net book value	**$**	**9,273,116**	**$**	**29,949,958**	**$**	**1,985,331**	**$**	**41,208,405**

(Unaudited – Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT - *continued*

During the three-month period ended April 30, 2023, the Company capitalized $1,951,707 of stripping costs to mineral property. The Company claims BC Mineral Exploration Tax Credits ("BCMETC") for eligible expenditures incurred on its properties. The BCMETC is subject to adjustments due to reassessments. The BCMETC tax credit receivable as of April 30, 2023 and January 31, 2023 remained unchanged at $737,165.

The following table summarizes the cumulative costs capitalized as exploration and evaluation assets as of April 30 2023 and January 31 2023 by their nature. Exploration and evaluation asset balances as of April 30, 2023 and January 31, 2023 relates to ongoing exploration programs outside of the mine development zone.

	Three Months Ended April 30, 2023	Year Ended January 31, 2023
Balance, beginning of period	**9,232,612**	5,730,013
Expenditures during the period:		
Assaying	**-**	149,709
Camp operations	**208**	368,329
Consulting	**-**	63,880
Drilling	**-**	1,754,812
Depletion and amortization	**-**	37,463
Geological	**6,063**	440,598
Maintenance	**31,500**	430,051
Share-based payments	**2,733**	38,073
Travel and accommodation	**-**	219,684
Balance, end of period	**$ 9,273,116**	**$ 9,232,612**

Elk Mine Acquisition and Royalties

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

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

Subsequent to April 30, 2023, the Company entered into a royalty purchase agreement with Silver Crown Royalties Inc. ("SCR") for a percentage of the Company's aggregate gross proceeds of silver (see Note 18 for details).

(Unaudited – Expressed in Canadian Dollars)

6. PROPERTY AND EQUIPMENT - *continued*

Impairment Analysis

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

The Company completed further assessments at January 31, 2023 and April 30, 2023 and did not identify any additional impairment indicators.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of:		**April 30, 2023**		January 31, 2023
Accounts payable	**$**	**2,701,245**	$	2,125,848
Amounts due to related parties (Note 14)		**239,341**		363,848
Accrued liabilities		**291,308**		383,218
	$	**3,231,894**	$	2,872,914

8. LEASES PAYABLE

		Three Months Ended April 30, 2023		Year Ended January 31, 2023
Balance, beginning of period	**$**	**72,815**	$	93,680
IFRS 16 lease obligation recognition		**468,651**		-
Principal payments		**(87,544)**		(31,337)
Financing costs		**4,595**		10,472
Balance, end of period		**458,517**		72,815
Current portion of lease payable		**(174,810)**		(31,337)
Non-current portion of lease payable	**$**	**283,707**	$	41,478

During the three months ended April 30, 2023, the Company entered into two new lease agreements for property and equipment valued at $468,651. The lease terms ranged between three and four years and the lease obligation was determined by discounting future lease payments at an incremental borrowing rate of 12%.

9. PROMISSORY NOTE

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

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

As of April 30, 2023, the carrying value of the Promissory Note was $2,978,360 (January 31, 2023 - $2,861,160). During the three months ended April 30, 2023, the Company incurred interest accretion of $117,200 on the Promissory Note (three months ended April 30, 2022 - $215,894).

Pursuant to the terms of the Promissory Note, the Company made payments of $3,000,000 in May 2021, 2022, and 2023. On May 16, 2023, the Company made its final $3,000,000 property payment to Sandbox discharging all obligations owed relating to the Company's purchase of the Elk Mine (Note 18).

10. RECLAMATION AND OTHER PROVISIONS

Reclamation Provision

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

As of April 30, 2023, the reclamation provision was calculated using a discount rate of 2.96% and an inflation rate of 2.00%. The reclamation provision increased by $52,964 due to changes in estimates of reclamation costs and accretion.

Other Provision

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

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

Based on this assessment, as of January 31, 2023 and April 30, 2023, the Company accrued a provision of $256,000 associated with estimated costs to be incurred as a result of this issue. The provision will be reviewed at each reporting period as more information becomes available.

(Unaudited – Expressed in Canadian Dollars)

11. SHARE CAPITAL

Authorized and Issued Share Capital

As of April 30, 2023 and January 31, 2023, the Company had 88,074,671 and 87,999,671 issued and fully paid common shares outstanding, respectively. The authorized share capital consists of an unlimited number of common shares and preferred shares issuable without par value.

During the three months ended April 30, 2023, 75,000 vested Performance Share Units ("PSUs") with a fair value of $9,182 were converted to common shares.

Warrants

The changes in warrants during the three months ended April 30, 2023 is as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance as at January 31, 2023	16,142,796	1.82
Expired	(160,626)	0.97
Balance as at April 30, 2023	15,982,170	1.83

Warrants outstanding and exercisable as of April 30, 2023 is as follows:

Number of Warrants	Exercise Price ($)	Expiry Date
320,612	2.10	June 24, 2023
2,790,820	3.15	June 24, 2023
660,000	1.25	October 31, 2023
1,108,596	1.20	December 23, 2023
3,702,142	1.25	February 23, 2024
7,400,000	1.75	April 21, 2024
15,982,170		

The weighted average contractual life remaining on the warrants is 0.74 years as of April 30, 2023.

Options

The changes in stock options during the three months ended April 30, 2023 is as follows:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance as at January 31, 2023	5,081,096	0.80
Granted	110,000	0.20
Expired	(55,000)	1.25
Balance as at April 30, 2023	5,136,096	0.78

(Unaudited – Expressed in Canadian Dollars)

11. SHARE CAPITAL - *continued*

Options - *continued*

Stock options outstanding and exercisable as of April 30, 2023 are as follows:

Number of Stock Options			
Outstanding	**Exercisable**	**Exercise Price ($)**	**Expiry Date**
50,000	50,000	2.21	May 31, 2023
325,000	325,000	2.00	August 23, 2023
170,455	170,455	0.10	January 25, 2024
200,000	200,000	2.00	October 15, 2024
150,000	75,000	0.14	January 1, 2025
1,684,000	1,684,000	0.25	February 1, 2025
314,141	314,141	0.25	July 30, 2025
972,500	972,500	0.90	January 14, 2026
185,000	185,000	1.20	April 9, 2026
975,000	515,000	1.25	April 30, 2027
110,000	-	0.20	March 20, 2028
5,136,096	**4,491,096**		

The weighted average contractual life remaining on the stock options is 2.35 years as of April 30, 2023.

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

The continuity of RSUs and PSUs for the three months ended April 30, 2023 is as follows:

	Number of RSUs	**Number of PSUs**
Balance as at January 31, 2023	321,500	245,000
Issued	55,000	-
Expired	(27,500)	(9,500)
Converted	-	(75,000)
Balance as at April 30, 2023	349,000	160,500

Share-Based Compensation

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

(Unaudited – Expressed in Canadian Dollars)

11. SHARE CAPITAL - *continued*

Share-Based Compensation - *continued*

During the three-month period ended April 30, 2023, the Company granted 110,000 stock options (three-month period ended April 30, 2022 – 1,080,000). The fair value of options granted was determined using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three Months Ended April 30,	
	2023	2022
Exercise price	**$0.20**	$1.25
Risk-free interest rate	**2.83%**	2.62%
Expected life	**5 years**	5 years
Estimated volatility	**87.03%**	78.53%
Dividend rate	**N/A**	N/A
Fair value per option	**$0.13**	$0.57

During the three months ended April 30, 2023, share-based compensation related to stock options granted and vested during the period totaled $33,001 (three months ended April 30, 2022 - $43,200), of which $23,111 was charged to share-based payment expense (2022 - $43,200), $8,557 was charged to cost of sales (2022 - $Nil), and $1,333 was capitalized to exploration and evaluation assets (2022 - $Nil).

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

During the three months ended April 30, 2023, share-based compensation related to RSUs and PSUs vesting during the period totaled $13,642 (three months ended April 30, 2022 - $516,712), of which $3,575 was recovered to share-based payment expense (2022 an expense of - $499,605), $15,817 was charged to cost of sales (2022 - $7,241), and $1,400 was capitalized to exploration and evaluation assets (2022 - $9,866).

12. REVENUE

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

13. COST OF SALES

	Three Months Ended April 30,			
		2023		2022
Site operating costs	**$**	**2,381,028**	$	2,665,011
Depletion and amortization		**170,598**		108,751
Share-based payments		**24,374**		7,241
	$	**2,576,000**	$	2,781,003

(Unaudited – Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS

The Company has identified the CEO and President (Mr. Kevin Smith), Vice President Permitting (Mr. Ronald Woo), CFO (Mr. Paulo Santos), former CFO (Mr. Braydon Hobbs), COO (Mr. Grant Carlson) and General Counsel, Head of Indigenous Relations and Corporate Secretary (Mr. Alex Bayer) and the Company's directors as its key management personnel.

During the three months ended April 30, 2023 and 2022, the following amounts were incurred for key management personnel of the Company:

	Three Months Ended April 30,	
	2023	2022
Management, director and consulting fees	**$ 294,599**	$ 155,125
Share-based payments	**31,911**	59,188
	$ 326,510	$ 214,313

During the three months ended April 30, 2023, there were no PSUs or RSUs converted into common shares of the Company for key management personnel (three months ended April 30, 2022 – 540,000 of vested PSUs and Nil of vested RSUs).

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

As at:	**April 30, 2023**	January 31, 2023
CEO and President	**$ 454**	$ 154,944
VP - Permitting (formerly President)	**76,857**	76,857
COO	**123,799**	102,324
CFO	**814**	-
Directors	**13,200**	14,506
Former directors of subsidiary	**24,217**	15,217
	$ 239,341	$ 363,848

15. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions that occurred during the three months ended April 30, 2023 and 2022 are as follows:

	Three Months Ended April 30,	
	2023	2022
Non-Cash Transactions:		
Broker warrants	**$ -**	$ 224,855
Vested PSUs and RSUs	**9,182**	1,424,700
Reclamation provision	**36,343**	-
Fair value of leased assets	**468,651**	-
Tax credit receivable adjustment	**-**	192,244
Share issuance costs in accounts payable and accrued liabilities	**-**	17,368
Exploration and evaluation expenditures in accounts payable and accrued liabilities	**10,064**	605,505
Mineral property expenditures in accounts payable and accrued liabilities	**1,223,843**	221,256
Building and equipment expenditures in accounts payable and accrued liabilities	**-**	26,907
Share-based payment capitalized to exploration and evaluation asset	**2,733**	9,866
Depletion and amortization capitalized to inventory	**16,900**	-
Depletion and amortization capitalized to exploration and evaluation asset	**-**	27,393

(Unaudited – Expressed in Canadian Dollars)

16. FINANCIAL INSTRUMENTS

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

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its ability to raise equity capital or borrow debt and its holdings of cash (see Note 1).

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

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

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 3,231,894	$ 3,231,894	$ 3,231,894	$ -	$ -
Short-term loans	83,082	83,082	83,082	-	-
Promissory note	2,978,360	3,000,000	3,000,000	-	-
Total	**$ 6,293,336**	**$ 6,314,976**	**$ 6,314,976**	**$ -**	**$ -**

16. FINANCIAL INSTRUMENTS - *continued*

Market Risk

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

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

Foreign exchange risk
The Company and its subsidiaries' functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

Price risk
The Company sells ore containing gold and silver at world market prices. The market prices of gold and to a lesser extent silver will be a primary driver of the Company's profitability and ability to generate both operating and free cash flow. The Company is an unhedged gold producer and gold and silver sales are subject to market prices. The Company has not entered into any hedge positions during the three months ended April 30, 2023.

17. COMMITMENTS

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

18. SUBSEQUENT EVENTS

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

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

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

18. SUBSEQUENT EVENTS - *continued*

The Production Bonuses are payable on the Company achieving each of the production milestones set forth below:

- Sale of 6,666 contained ounces of silver on an annualized basis (calculated as defined in the agreement);
- Sale of 8,888 contained ounces of silver on an annualized basis;
- Sale of 11,110 contained ounces of silver on an annualized basis;
- Sale of 13,332 contained ounces of silver on an annualized basis;
- Sale of 15,554 contained ounces of silver on an annualized basis;
- Sale of 17,776 contained ounces of silver on an annualized basis;
- Sale of 19,998 contained ounces of silver on an annualized basis; and
- Sale of 22,220 contained ounces of silver on an annualized basis.

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

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

b) On May 16, 2023, Gold Mountain made its final $3,000,000 property payment to Sandbox, discharging all obligations owed relating to the Company's purchase of the Elk Mine.

c) Subsequent to April 30, 2023, 17,500 PSUs were converted to common shares and 50,000 stock options expired unexercised.