



Valhalla Metals, Inc.
Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2024 and 2023
(Expressed in US dollars)

Notice of No Auditor Review

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditors.

Valhalla Metals, Inc.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2024 AND DECEMBER 31, 2023:

(Expressed in US Dollars)

		March 31 2024	December 31 2023
ASSETS			
Current assets			
Cash and cash equivalents	\$	1,443,064	\$ 1,681,885
Amounts receivable		18,667	5,152
Prepaid expense		89,839	123,335
Total current assets		1,551,570	1,810,372
Exploration and evaluation assets	(Note 3)	50,000	50,000
	\$	1,601,569	\$ 1,860,372
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	(Note 6)	125,217	153,972
Total current liabilities		125,217	153,972
Long term liabilities			
Reclamation provision	(Note 4)	100,833	100,833
Total long term liabilities		100,833	100,833
		226,050	254,805
EQUITY			
Share capital	(Note 5)	15,154,548	15,154,548
Contributed surplus		988,446	988,446
Deficit		(14,626,468)	(14,433,988)
Accumulated other comprehensive loss		(141,006)	(103,439)
		1,375,519	1,605,567
	\$	1,601,569	\$ 1,860,372

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

CORPORATE INFORMATION AND NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

These financial statements were approved for issue by the Board of Directors on May 28, 2024 and are signed on its behalf by:

"Raj Chowdhry"
Raj Chowdhry, Director

"Rick Van Nieuwenhuyse"
Rick Van Nieuwenhuyse, Director

Valhalla Metals, Inc.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 and 2023

(Expressed in US Dollars)

		For the period ended March 31, 2024	For the period ended March 31, 2023
Operating expenses			
Corporate development	(Note 6)	\$ 19,681	\$ 13,911
Exploration and evaluation expenses	(Notes 3 and 6)	89,209	94,958
Management fees	(Note 6)	37,075	36,970
Office and miscellaneous		11,453	14,354
Professional fees	(Note 6)	43,498	22,195
Regulatory and transfer agent		6,456	1,402
Shareholder communications and investor relations		1,001	2,810
Operating loss		208,373	186,599
Interest Income		(15,893)	(70,919)
Net loss for the period		192,480	115,681
Other comprehensive loss			
Items that may be reclassified subsequently to income or loss:			
Currency translation adjustments		37,567	60,923
Total comprehensive loss for the period		\$ 230,047	\$ 176,604
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)
Weighted average number of shares outstanding (basic and diluted)		83,225,336	83,225,336

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

Valhalla Metals, Inc.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in US Dollars)

	Number of Subordinate Voting Shares	Number of Multiple Voting Shares	Share Capital	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total Equity
Balance, December 31, 2023	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (14,433,988)	\$ (103,439)	\$ 1,605,567
Net loss for the period	-	-	-	-	(192,480)	-	(192,480)
Translation to presentation currency	-	-	-	-	-	(37,567)	(37,567)
Balance, March 31, 2024	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (14,626,468)	\$ (141,006)	\$ 1,375,520
Balance, December 31, 2022	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (7,616,760)	\$ (83,778)	\$ 8,442,456
Net loss for the period	-	-	-	-	(115,681)	-	(115,681)
Translation to presentation currency	-	-	-	-	-	(60,923)	(60,923)
Balance, March 31, 2023	35,016,636	482,087	\$ 15,154,548	\$ 988,446	\$ (7,732,441)	\$ (144,701)	\$ 8,265,852

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

Valhalla Metals, Inc.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in US Dollars)

	For the period ended March 31, 2024	For the period ended March 31, 2023
Cash provided by (used for):		
Operating activities		
Net loss for the period	\$ (192,480)	\$ (115,681)
Change in non-cash working capital:		
Amounts receivable	(13,515)	(61,818)
Prepaid expenses	33,496	(16,450)
Accounts payable and accrued liabilities	(28,755)	(134,129)
	(201,255)	(328,078)
Investing activities		
Equipment purchase	-	(132,141)
	-	(132,141)
Financing activities	-	-
Unrealized foreign exchange gain/loss cash	(37,567)	(60,923)
Change in cash during the period	(201,255)	(460,219)
Cash, beginning of the period	1,681,885	6,774,914
Cash, end of the period	\$ 1,443,064	\$ 6,253,771

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

Cash paid for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -
Cash earned from interest income	\$ 15,893	\$ 70,919

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

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

1. CORPORATE INFORMATION AND NATURE OF CONTINUANCE OF OPERATIONS

Valhalla Metals Inc. (the “Company” or “Valhalla”), formerly SolidusGold Inc. (“Solidus”) was incorporated on April 13, 2011 under the laws of British Columbia under the name of “Mantra Capital Inc.” On September 4, 2014 the Company changed its name to SolidusGold Inc. (“Solidus”) and commenced trading on the TSX Venture Exchange (“TSX-V”). On September 16, 2022, the Company completed a share exchange agreement with Valhalla Metals Inc. (a US Company) (“Valhalla US”) giving effect to the acquisition of Valhalla US’s outstanding common shares by way of a reverse acquisition transaction (RTO). These interim condensed consolidated financial statements include the historical operations of Valhalla US, assets and liabilities of Valhalla US, which is deemed to be the continuing entity for financial reporting purposes. Valhalla US was incorporated in the state of Alaska, United States of America on May 13, 2018.

The principal business activity of the Company acquiring and exploring mineral properties. The Company is currently trading on TSX-V under the symbol VMXX. The address of the Company’s corporate office and its principal place of business is Suite 2700, 1133 Melville Street Vancouver, British Columbia, V6E 4E5, Canada.

These condensed consolidated interim financial statements were prepared on a going concern basis with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has incurred operating losses since inception, resulting in a deficit of \$14,626,468 at March 31, 2024 (December 31, 2023 – \$14,433,988). While the Company has been successful in obtaining funding in the past through the issuance of additional equity, there is no assurance that such funding will be available in the future. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company is dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional equity securities or possibly debt in the future. The recoverability of the carrying value exploration and evaluation assets and, ultimately, the Company’s ability to continue as a going concern, is dependent upon the Company’s ability to raise financing, the realization of which is uncertain. These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

a. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), including IAS 34 – *Interim Financial Reporting*. For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board (“IASB”).

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

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

2. MATERIAL ACCOUNTING POLICIES (Continued)

b. Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Valhalla US. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All significant intercompany transactions and balances are eliminated on consolidation.

c. Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

d. Functional currency and presentation currency

These condensed consolidated interim financial statements are presented in United States dollars. The functional currency of each entity in the consolidated group is determined with reference to the currency of the primary economic environment in which that entity operates. Accordingly, the functional currency of entities operating principally in the United States will be the United States dollar, while the functional currency of entities operating principally in Canada will be the Canadian dollar.

e. Adoption of new or amended accounting standards

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

3. EXPLORATION AND EVALUATION ASSETS

a. Sun Property

On May 15, 2018, Valhalla Mining Inc, a company controlled by a former director of the Company, transferred its 100% interest in certain mineral rights to the Company in exchange of common shares with a fair value of \$800,000. The mineral rights ("Sun Property") are located in the Ambler Mining District of Alaska.

In Q4 2023, given the delay and uncertainty surrounding the approval by the Bureau of Land Management of the road that would provide access to the Ambler Mining District, the Company wrote off the accounting cost of the Sun Property to \$25,000. An impairment loss of \$775,000 was recorded on the Statement of Consolidated Comprehensive loss for year ended December 31, 2023).

As of March 31, 2024, the Company has ownership of 392 mineral claims at the Sun Property.

b. Smucker Property

On May 15, 2018, Valhalla Mining, LLC, a company controlled by a former director of the Company, transferred its 100% interest in certain mineral rights to the Company in exchange of common shares with a fair value of \$800,000. The mineral rights ("Smucker Property") are located in the Ambler Mining District of Alaska. As a result of this transaction, the Company acquired 58 mining claims.

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

During the year ended December 31, 2022, the Company spent \$50,615 on staking an additional 76 State of Alaska mining claims immediately adjacent to the original Smucker claim block. During 2023, the Company spent an additional of \$2,700 on staking work and staked 10 more claims.

In a decision dated April 21, 2023, the Alaska Supreme Court ruled that 11 of the initial 58 mineral claims staked by Valhalla Mining LLC at the Smucker Property were invalid due to the extent of those claims over-lapping the old Teck Resources claims block at Smucker (see note 11 for additional details). The Company wrote off the book value associated with these 11 claims and recorded an impairment loss (\$151,724 loss recorded on the December 31, 2023 Statement of Consolidated Comprehensive loss).

In Q4 2023, given the delay and uncertainty surrounding the approval by the Bureau of Land Management of the road that would provide access to the Ambler Mining District, the Company wrote off the accounting cost of the Smucker Property to \$25,000. An impairment loss of \$676,591 was recorded on the Statement of Consolidated Comprehensive loss for year ended December 31, 2023).

As of March 31, 2024, the Company has ownership of 133 mineral claims at the Smucker Property.

Exploration and evaluation assets:

	Sun	Smucker	Total
	\$	\$	\$
Acquisition costs:			
Balance, January 1, 2022	800,000	800,000	1,600,000
Acquisition of claims in 2022	-	50,615	50,615
Balance, December 31, 2022	800,000	850,615	1,650,615
Acquisition of claims	-	2,700	2,700
Impairment of property	(775,000)	(828,315)	(1,603,315)
Balance, December 31, 2023 and March 31, 2024	25,000	25,000	50,000

Exploration and evaluation costs:

March 31, 2024

Consulting	37,500	-	37,500
Geology	5,700	-	5,700
Mineral rents	25,658	5,445	31,103
Other	14,906	-	14,906
Costs, three months ended March 31, 2024	83,764	5,445	89,209

March 31, 2023

Geology	25,200	-	25,200
Logistics	37,498	-	37,498
Mineral rents	22,316	4,785	27,101
Other	5,159	-	5,159
Costs, three months ended March 31, 2023	90,173	4,785	94,958

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

4. RECLAMATION PROVISION

In connection with the Sun project exploration camp site that was built in 2023, the Company recognized a reclamation provision during the year ended December 31, 2023 with a present value of \$100,833. The present value of the obligation relating to the reclamation provision was calculated using an average risk-free interest rate of 3.1% and an inflation rate of 2% and the life of the mining camp was estimated at 10 years. The undiscounted value of the obligation was \$136,832.

A reconciliation of the changes in the Company's reclamation provision is as follows:

Reclamation obligation on completion of Sun project exploration camp	\$	100,833
Reclamation work completed		-
Balance at December 31, 2023 and March 31, 2024	\$	100,833

5. SHARE CAPITAL

a. Authorized:

The Company is authorized to issue an unlimited number of subordinate voting shares without nominal or par value and unlimited number of multiple voting shares without nominal or par value.

The Company has issued 482,087 multiple voting shares a part of the reverse acquisition transaction. These shares are restricted and held in escrow and will be released over the 36-month period ending September 16, 2025 and convert to subordinate voting shares with a multiplying factor of 100 (resulting in 48,208,700 subordinate voting shares) when the following conditions are met: (1) vesting from escrow (2) US investors (multiple voting share holders) cumulative ownership of the Company cannot exceed 40% of the issued and outstanding subordinate voting share.

b. Reconciliation of changes in share capital

No multiple voting shares or subordinate voting shares were issued during the year ended December 31, 2023 and the first three months of 2024.

Escrow

In connection with the RTO, certain principals of the Company have entered into a Tier 2 Value Escrow Agreement with Computershare Investor Services, Inc. as escrow agent, in respect of 5,586,538 Subordinate Voting Shares and 367,299 Multiple Voting Shares. Under the terms of the Escrow Agreements, 10% of such escrowed securities will be released upon the date of the exchange bulletin from the TSXV, with the balance to be released in six tranches of 15% every six months thereafter. As at March 31, 2024, 165,288 Multiple Voting Shares and 2,513,941 subordinate voting shares are in escrow.

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

5. SHARE CAPITAL (continued)

Warrants

The following table summarizes the continuity of the Company's warrants:

Exercise Price	January 1, 2022	Transferred on RTO in 2023	Expired	March 31, 2024	Expiry Date
CAD\$0.60	-	1,333,422	-	1,333,422	October 8, 2024
		1,333,422	-	1,333,422	

As at March 31, 2024, the Company had 1,333,422 outstanding warrants. These are warrants issued initially by Valhalla, formerly Solidus, in October 2020 and transferred on a 5:1 basis to the Company as part of the RTO. The warrants expiry date was extended to October 8, 2024.

Stock Option Plan

The Share Compensation Plan is a "rolling up to 10%" omnibus plan pursuant to which the total number of Subordinate Voting Shares which may be issued pursuant to RSUs and Options granted under the Share Compensation Plan, in the aggregate, is equal to up to a maximum of 10% of the issued and outstanding Subordinate Voting Shares, assuming the conversion of all Multiple Voting Shares (1 multiple voting share to 100 to Subordinate Voting Shares), at the time of the grant or award.

On November 7, 2022, the Company issued to certain directors, officers, employees, and consultants stock options that would allow them to acquire a total of 4,375,000 subordinate voting shares in the capital of the Company at an exercise price of CAD\$0.50. The Options are exercisable for a five-year term expiring November 7, 2027. In addition, on RTO date, 55,000 stock options were transferred from Solidus. These RTO stock options have an expiry date of August 15, 2024 and can be exercised for CAD\$1.25.

The following table summarizes the continuity of the Company's stock options:

Exercise Price	January 1, 2022	Issued in 2022	Balance December 31, 2023 and March 31, 2024	Expiry Date	Weighted average exercise price
CAD\$0.50	-	4,375,000	4,375,000	November 7, 2027	CAD\$0.50
CAD\$1.25	-	55,000	55,000	August 15, 2024	CAD\$1.25
		4,430,000	4,430,000		CAD\$0.51

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had the following related party balances at :

	March 31,2024	December 31, 2023
Due to Directors and Officer	9,300	58,595
Total due to related parties	\$ 9,300	\$ 58,595

The amounts due to related parties were incurred in the normal course of business and have been included in accounts payable. The balances are non-interest bearing, unsecured and are due on demand.

Key management personnel receive compensation in the form of short-term employee benefits, share based payments, and post-employment benefits. Key management personnel include the Chief Executive Officer, Chief Financial Officer, VP of Exploration, and directors of the Company. The remuneration of key management for the three month periods ended March 31, 2024 and 2023 was as follows:

	March 31, 2024	March 31, 2023
Management and consulting fees	59,297	73,261
Total remuneration	\$ 59,297	\$ 73,261

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company classifies its financial instruments as follows: cash is classified as fair value through profit or loss ("FVTPL"); and accounts payable and accrued liabilities as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

Capital management

The Company does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

The Company's objective when managing capital is to advance its exploration properties while safeguarding the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. There were no changes to the Company's capital management approach during the three month period ended March 31, 2024. The Company is not subject to any externally imposed capital requirements.

Management of financial risk

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments classified as level 1 in the fair value hierarchy are cash. Accounts payable and accrued liabilities approximate fair value due to the short-term nature of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at March 31, 2024, the Company is not exposed to significant market risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient cash or credit available to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. All of the Company's cash is held in reputable financial institutions and as such, the Company believes credit risk is negligible.

Valhalla Metals, Inc.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - Expressed in US Dollars)

7. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2024.

Foreign Exchange Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company is exposed to foreign exchange risk with respect to these transactions. The Company is exposed to currency risk through the following assets and liabilities denominated in Canadian dollars:

	March 31, 2024	December 31, 2023
Cash	1,426,383	1,659,295
Accounts payable	(70,776)	(88,271)

At March 31, 2024, Canadian dollar amounts were converted at a rate of CAD 1.00 to USD 0.7380. A 10% increase or decrease in the Canadian dollar relative to the US dollar would result in a change of approximately \$135,560 (December 31, 2023 - \$157,102) in the Company's comprehensive loss for the period to date.

Categories of financial assets and financial liabilities

The carrying values of the Company's financial instruments are classified into the following categories:

Financial instrument	Category	March 31, 2024	December 31, 2023
Cash	Amortized cost	\$ 1,443,064	\$ 1,681,885
Accounts payable	Amortized cost	\$ 125,217	\$ 153,972

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of the basic and diluted loss per share for the three-month period ended March 31, 2024 was \$0.00 (March 31, 2023 - \$0.00 per share) based on a loss attributable to common shareholders of \$192,480 (March 31, 2023 - \$ 115,681) and the weighted average number of common shares outstanding of 83,225,336 (March 31, 2023 - 83,225,336).