



Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended May 31, 2023 and 2022

Unaudited – Expressed in Canadian Dollars

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

PRECIPITATE GOLD CORP.**Condensed Consolidated Interim Statements of Financial Position***Unaudited – Prepared by Management**Expressed in Canadian Dollars*

	May 31, 2023	November 30, 2022
ASSETS		
Current		
Cash	\$ 5,814,458	\$ 6,640,147
Amounts receivable	31,024	225,426
Prepaid expenses	52,303	26,571
Investments (Note 4)	<u>-</u>	<u>3,000</u>
	5,897,785	6,895,144
Equipment (Note 5)	27,188	38,465
Mineral Property Interests (Note 3)	<u>1,061,619</u>	<u>1,065,819</u>
	\$ 6,986,592	\$ 7,999,428
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 254,662	\$ 495,354
Income taxes payable (Note 3)	<u>1,650,460</u>	<u>1,714,832</u>
	<u>1,905,122</u>	<u>2,210,186</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	16,968,427	16,968,427
Reserves (Note 6)	4,439,108	4,439,108
Deficit	<u>(16,326,065)</u>	<u>(15,618,293)</u>
	<u>5,081,470</u>	<u>5,789,242</u>
	\$ 6,986,592	\$ 7,999,428

Nature of Operations and Going Concern (Note 1)

Approved by the Board of Directors on July 19, 2023.

"Jeffrey Wilson"

Jeffrey Wilson, Director

"Lon Shaver"

Lon Shaver, Director

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

PRECIPITATE GOLD CORP.**Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)***Unaudited – Prepared by Management**Expressed in Canadian Dollars*

	Three months ended May 31, 2023	Three months ended May 31, 2022	Six months ended May 31, 2023	Six months ended May 31, 2022
Expenses				
Exploration and evaluation (Note 3 and 8)	\$ 63,602	\$ 378,056	\$ 371,522	\$ 479,130
Salaries and wages (Note 8)	53,041	117,499	103,659	158,537
Audit and accounting (Note 8)	78,384	36,679	105,984	53,261
Consulting and directors' fees (Note 8)	11,000	110,000	20,000	110,000
Marketing, conferences and investor relations	900	37,502	22,763	65,623
Legal	353	871	353	11,317
Property investigation costs	38,450	5,945	55,604	6,405
Office and administrative	30,038	41,028	63,682	66,386
Rent	8,700	10,130	17,400	19,783
Transfer agent and filing fees	12,628	7,081	25,038	21,120
Depreciation (Note 5)	5,512	3,739	11,277	9,055
Foreign exchange loss (gain)	9,453	31,592	(24,435)	28,987
Total expenses	(312,061)	(780,122)	(772,847)	(1,029,604)
Other income (Expenses)				
Gain on sale of mineral property interests	-	6,103,904	-	6,103,904
Recovery of expenses (Note 3)	68,075	-	68,075	-
Recovery of flow-through premium	-	33,921	-	39,900
Unrealized loss on investments (Note 4)	-	-	(3,000)	-
Net income (loss) for the period before taxes	(243,986)	5,357,703	(707,772)	5,114,200
Income tax provision	-	(1,850,654)	-	(1,850,654)
Net income (loss) for the period	\$ (243,986)	\$ 3,507,049	\$ (707,772)	\$ 3,263,546
Earnings (loss) per share, basic and diluted	\$ (0.00)	\$ 0.03	\$ (0.01)	\$ 0.03
Weighted average shares outstanding – basic	130,366,808	129,716,808	130,366,808	125,528,166
Weighted average shares outstanding – diluted	130,366,808	130,617,476	130,366,808	126,464,372

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

Precipitate Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows
Unaudited – Prepared by Management
Expressed in Canadian Dollars

For the six-month period ended May 31,	2023	2022
Operating activities:		
Net loss for the period	\$ (707,772)	\$ 3,263,546
Items not affecting cash:		
Depreciation	11,277	9,055
Gain on sale of mineral property interests	-	(6,103,904)
Other Income	-	(39,900)
Unrealized loss on investments	3,000	-
Change in non-cash working capital:		
Accounts receivable	194,402	(10,321)
Prepaid expenses	(25,732)	(48,091)
Accounts payable and accrued liabilities	(240,692)	354,808
Income taxes payable	(64,372)	1,850,654
Net cash used in operating activities	(829,889)	(724,153)
Investing activities:		
Pro		
Mineral property acquisition costs	4,200	-
Proceeds from sale of mineral property interests	-	6,476,500
Net cash provided by investing activities	4,200	6,476,500
Financing activities:		
Proceeds from issuance of shares	-	2,179,390
Share issue costs paid	-	(70,946)
Net cash provided by financing activities	-	2,108,444
Change in cash	(825,689)	7,860,791
Effect of exchange rate changes on cash	-	(122,197)
Cash - beginning of the period	6,640,147	446,345
Cash - end of the period	\$ 5,814,458	\$ 8,184,939

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

PRECIPITATE GOLD CORP.
Condensed Consolidated Interim Statements of Changes in Equity
For the six Months Ended May 31, 2023 and 2022
Unaudited – Prepared by Management
Expressed in Canadian Dollars

	Share Capital		Reserves		Deficit	Total
	Shares	Amount	Warrants	Options		
Balance, November 30, 2021	107,068,031	\$ 15,325,317	\$ 1,743,997	\$ 2,326,614	\$ (17,025,188)	\$ 2,370,740
Private placement – flow-through	15,850,000	1,585,000	-	-	-	1,585,000
Flow-through liability	-	(158,500)	-	-	-	(158,500)
Relative fair value of warrants	-	(221,500)	221,500	-	-	-
Private placement	6,604,333	594,390	-	-	-	594,390
Relative fair value of warrants	-	(92,390)	92,390	-	-	-
Fair value of finders' fee warrants	-	(35,000)	35,000	-	-	-
Finders' fee units	194,444	16,000	3,444	-	-	19,444
Share issue costs	-	(90,390)	-	-	-	(90,390)
Net loss and comprehensive loss	-	-	-	-	3,263,546	3,263,546
Balance, May 31, 2022	129,716,808	16,922,927	2,096,331	2,326,614	(13,761,642)	7,584,230
Shares issued for mineral property acquisition	650,000	45,500	-	-	-	45,500
Share based compensation	-	-	-	16,163	-	16,163
Withholding tax on dividends	-	-	-	-	(144,470)	(144,470)
Net income and comprehensive income	-	-	-	-	(1,712,181)	(1,712,181)
Balance, November 30, 2022	130,366,808	16,968,427	2,096,331	2,342,777	(15,618,293)	5,789,242
Net loss and comprehensive loss	-	-	-	-	(707,772)	(707,772)
Balance, May 31, 2023	130,366,808	\$ 16,968,427	\$ 2,096,331	\$ 2,342,777	\$ (16,326,065)	\$ 5,081,470

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

PRECIPITATE GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements For the Six Months Ended May 31, 2023 and 2022

Unaudited – Prepared by Management

Expressed in Canadian Dollars

1. Nature of Operations and Going Concern

Precipitate Gold Corp. (the “Company”) was incorporated on January 31, 2011, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the Dominican Republic. The head office, principal address, and records office of the Company are located at 625 Howe Street, Suite 580, Vancouver, British Columbia, V6C 2T6, Canada. The Company's shares trade on the TSX Venture exchange under the symbol PRG.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At May 31, 2023 the Company had a working capital surplus of \$3,992,663. Management estimates that the Company has sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These consolidated financial statements do not give effect to adjustments, which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. Basis of Presentation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss, or fair value through other comprehensive income which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting.

PRECIPITATE GOLD CORP.
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended May 31, 2023 and 2022
Unaudited – Prepared by Management
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2. Basis of Presentation *(continued)*

b) Basis of Consolidation

The condensed consolidated interim financial statements include the financial statements of the Company and its five wholly-owned subsidiaries: 0945044 BC Ltd., incorporated in British Columbia, Canada, which owns 100% of Corporacion Minera San Juan, S.R.L. located in the Dominican Republic; Precipitate Dominicana S.R.L. located in the Dominican Republic, which owns 50% of Toro Negro Drilling S.R.L. located in the Dominican Republic; and 1246871 BC Ltd., incorporated in British Columbia, Canada.

c) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which a company operates. The presentation currency for a company is the currency in which a company chooses to present its financial statements.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency. The functional currencies of the Company's subsidiaries do not differ from that of the parent company.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

d) Significant Accounting Policies

These unaudited condensed consolidated interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the year ended November 30, 2022 which in Note 3 detail all significant accounting policies adopted by the Company.

The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements.

e) Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

PRECIPITATE GOLD CORP.
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended May 31, 2023 and 2022
Unaudited – Prepared by Management
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2. Basis of Presentation - continued

e) Critical Accounting Judgments and Estimates - continued

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: recoverability and impairment of mineral properties and valuation of share-based payments.

Significant estimates that have the most significant effect on the amounts recognized in the financial statements are as follows:

Recoverability of capitalized mineral property costs

The Company uses the cost model and the value of the mineral property interests is based on expenditures incurred, less any recoveries or impairment. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts and circumstances exist that suggests the carrying amount exceeds the recoverable amount.

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants. The assumptions and models used for estimating fair value of stock options and common share purchase warrants are disclosed in Note 6.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the consolidated financial statements is included in the following notes:

Note 1 – going concern assessment

Note 2 – functional currency

Note 3 – impairment of exploration and evaluation assets

f) Recent Accounting Pronouncements

IAS 16 – *Property, Plant and Equipment* - has been amended for periods beginning on or after January 1, 2022 for proceeds received before intended use. The amendment requires that during the development stage of a mineral property, all income received, and related costs incurred, be recorded through profit or loss. Previously such income was applied against the development asset. There is no effect from this amendment on the Company's financial statements.

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars***3. Mineral Properties****Acquisition Costs Summary**

	Juan de Herrera Project	Pueblo Grande and Ponton Projects	Motherlode Gold Project	Ace Gold Project	Total
Balance – November 30, 2021	\$ 898,068	\$ 905,930	\$ 70,250	\$ 38,700	\$ 1,912,948
Acquisition costs – cash	-	-	52,000	-	52,000
Acquisition costs – shares	-	-	45,500	-	45,500
Write-off of mineral property	-	-	-	(38,700)	(38,700)
Sale of mineral property	-	(905,929)	-	-	(905,929)
Balance – November 30,	898,068	1	167,750	-	1,065,819
Acquisition costs - cash	-	-	(4,200)	-	(4,200)
Balance – May 31, 2023	\$ 898,068	\$ 1	\$ 163,550	\$ -	\$ 1,061,619

Exploration and Evaluation Expenditures Summary

Exploration and evaluation expenditures for the six months ended May 31, 2023:

	Juan de Herrera Project	Pueblo Grande Project	Ponton Project	Motherlode Gold Project	Total
Assay	\$ 190,596	\$ -	\$ -	\$ 666	\$ 191,262
Camp and general	552	744	-	18,075	19,371
Consulting	1,844	26,085	27,778	-	55,707
Field equipment and supplies	1,358	2,529	-	150	4,037
Fuel	710	1,533	-	-	2,243
Geological consulting	6,092	3,729	-	26,129	35,950
License and registration	-	644	-	2,075	2,719
Office	691	34,562	-	96	35,349
Salaries and benefit	747	13,178	-	-	13,925
Travel, meals, and Accommodation	9,440	1,519	-	-	10,959
Total exploration and evaluation costs	\$ 212,030	\$ 84,523	\$ 27,778	\$ 47,191	\$ 371,522

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars***3. Mineral Properties - continued****Exploration and Evaluation Expenditures Summary**

Exploration and evaluation expenditures for the six months ended May 31, 2022:

	Juan de Herrera Project	Pueblo Grande Project	Ponton Project	Motherlode Gold Project	Ace Gold Project	Total
Assay	\$ -	\$ -	\$ -	\$ 1,739	\$ 8,101	\$ 9,840
Camp and general	-	1,135	-	54,390	2,453	57,978
Consulting	-	-	35,777	-	-	35,777
Field equipment and supplies	-	10	-	29,223	6,361	35,594
Foreign sales tax	96	4,249	-	-	-	4,345
Fuel	-	166	-	441	-	607
Geological consulting	-	12,067	-	146,374	60,534	218,975
Geophysics	-	-	-	53,114	32,134	85,248
License and registration	-	-	-	322	-	322
Maps, orthophotos, and reports	-	213	987	1,836	175	3,211
Office	1,790	14,055	-	-	-	15,845
Salaries and benefit	-	197	-	-	-	197
Travel, meals, and Accommodation	-	-	-	6,507	4,684	11,191
Total exploration and evaluation costs	\$ 1,886	\$ 32,092	\$ 36,764	\$ 293,946	\$ 114,442	\$ 479,130

a) Juan de Herrera Project, Dominican Republic

The Company, through 0945044 BC Ltd., owns a 100% interest in the Juan de Herrera concession and the Los Pinalitos concession application (previously Hato Nuevo) ("Dominican Republic properties") in the Dominican Republic through Corporacion Minera San Juan, S.R.L. ("CMSJ"), its wholly-owned subsidiary.

The properties are subject to a 3% net smelter returns ("NSR") royalty from any base and precious metal commercial production. The Company may acquire 50% of the NSR royalty by paying \$2,000,000.

b) Pueblo Grande Project, Dominican Republic

On October 24, 2018, the Company entered into a Purchase and Sale Agreement with Everton Resources Inc. and Everton Minera Dominicana A SRL ("Everton") to acquire a 100% interest in the Pueblo Grande Project.

PRECIPITATE GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended May 31, 2023 and 2022

Unaudited – Prepared by Management

Expressed in Canadian Dollars

3. Mineral Properties – Continued

b) Pueblo Grande Project, Dominican Republic – Continued

Pre-existing advanced stage or mining-related commitments to a third party include (i) a sliding scale NSR royalty ranging from 1%, where gold is under US\$1,000/oz, to 2%, where gold is over US \$1,400/oz and (ii) sum of cash or shares valued at the greater of \$5,000,000 or the value of 5,000,000 common shares based on a 20 day VWAP, in the event a resource of 1,000,000 gold equivalent ounces or greater are delineated at certain grades and in various indicated and inferred categories.

On April 13, 2020 the Company signed a definitive earn-in agreement with Barrick Gold Corporation (“Barrick”) whereby Barrick has the right to earn a 70% interest in the Company’s Pueblo Grande Project by incurring a minimum US\$10.0 million in exploration expenditures and delivering a qualifying Pre-feasibility Study prior April 13, 2026.

In accordance with the terms of the earn-in agreement, to acquire a 70% interest in the Project, Barrick must (the “Earn-in Conditions”):

- Incur a minimum of US\$10.0 million in qualifying exploration expenditures before April 13, 2026 as follows:
 - US\$2.0 million in aggregate before April 13, 2022, with a US\$1.0 million guaranteed minimum expenditure if Barrick elects to terminate the agreement before April 13, 2022 (completed)
 - US\$3.5 million in aggregate before April 13, 2023;
 - US\$5.0 million in aggregate before April 13, 2024;
 - US\$7.0 million in aggregate before April 13, 2025; and
 - US\$10.0 million in aggregate before April 13, 2026;
- Complete a minimum of 7,500 metres of drilling before April 13, 2026; and
- Deliver a qualifying pre-feasibility study before April 13, 2026.

Shortfalls in required exploration expenditures may be paid by Barrick to Precipitate as cash in lieu. Barrick may at any time accelerate the earn-in requirements.

Upon satisfaction of the Earn-in Conditions and delivery of an exercise notice, Barrick and the Company will form a joint venture to be owned 70% by Barrick and 30% by the Company. At the Company’s election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Barrick will be obligated to provide the Company’s portion of any debt financing or arrange for third party financing of the Company’s portion of any debt financing required to construct a mine on the Project described in the Feasibility Study in consideration for the transfer by the Company to Barrick of an additional 5% interest in the joint venture. Dilution of the Company’s interest in the joint venture below 10% will result in the conversion of the Company’s interest to a 1.5% NSR royalty on any concessions without pre-existing NSRs as of the date hereof, and a 1.0% NSR royalty on any concessions with pre-existing NSRs as of the date hereof, applicable to all recovered products.

On May 13, 2022, the Company and Barrick entered into an amendment to the earn-in agreement whereby the Company has agreed to relinquish certain claims (“Target Area 1, 2 and 3”) of the Pueblo Grande project to Barrick for cash consideration of \$6,476,500 (US\$5,000,000) (received) and granting a 3% NSR royalty to the Company. In addition, Barrick will use best efforts to obtain drilling permits for Target Area 3 and within 3 months after receipt of the permit, conduct a drilling program.

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars*

3. Mineral Properties – Continued**b) Pueblo Grande Project, Dominican Republic - Continued**

If following the drilling program, Barrick determines that the extraction of mineralization with certain portion of Target Area 3 is justifiable, Barrick will transfer the mining rights of Target Area 3 back to Precipitate at no cost, at which time the area will be reinstated as part of the project under the initial earn-in agreement and the NSR royalty will be amended to remove any royalties with respect to the area.

Barrick has also agreed to provide advance notice to the Company if, at anytime prior to the 10-year anniversary of the amendment, Barrick intends to relinquish the mining rights over Target Area 1, 2, and 3, and will transfer such mining rights back to the Company if the Company wishes to retain the rights.

In relation to the sale to Barrick, the Company estimated taxes payable of \$1,714,832 of which \$1,650,460 remained owing as at May 31, 2023 and is recorded in income taxes payable.

In relation to the earn-in agreement, the company received US\$50,000 (CDN \$68,075) from Barrick as a recovery on certain expenditures.

c) Ponton Project, Dominican Republic

The Ponton Project was acquired 100% as part of the agreement with Everton Resources Inc.

d) Motherlode Gold Project, Newfoundland, Canada

On August 5, 2021, and August 10, 2021, the Company entered into option and staking agreements whereby the Company may acquire a 100% interest in the Motherlode Gold Project, located in Newfoundland, by paying staged cash payments and issuing common shares as follows:

Date	Consideration	Common Shares
On August 24, 2021(paid and issued)	\$ 26,000	370,000 ⁽¹⁾
August 24, 2022 (paid and issued)	52,000	650,000 ⁽²⁾
August 24, 2023	74,000	990,000
August 24, 2024	84,000	1,270,000
August 24, 2025	107,000	1,800,000
	\$ 343,000	5,080,000

⁽¹⁾ issued at a value of \$37,000

⁽²⁾ issued at a value of \$45,500

Upon completion of the cash and share payments, the Company will own a 100% interest in the Motherlode Gold Project, subject to certain NSR of 1.5% to Vendor Group 1 and 2.5% to Vendor Group 2. Portions of the NSR's can be repurchased by the Company at any time up to 1.0%. In addition, the Company retains a right of first refusal to purchase the balance of all NSR's at any time.

Additionally, The Company acquired a 100% interest in an adjoining project through staking and execution of a purchase agreement by paying \$1,000 and issuing 25,000 common shares (valued at \$2,500). During the six months ended May 31, 2023, the Company received a refund for staking costs of \$4,200 from the government of Newfoundland and Labrador. During the year ended November 30, 2022, the Company paid \$3,750 of staking costs and \$25,900 toward a deposit relating to the staking licenses.

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars*

3. Mineral Properties – Continued**e) Ace Gold Project, Newfoundland, Canada**

On October 1, 2021, the Company entered into Option Agreement whereby the Company may acquire a 100% interest in the Ace Gold Project, located in Newfoundland, by paying staged cash payments totaling \$130,000 and issuing a total of 1,600,000 common shares.

During the year ended November 30, 2022, the Company terminated the option agreement for the Ace project and consequently, the Company recognized a write-off of all associated capitalized costs of \$38,700 during the year ended November 30, 2022.

4. Investments

Management has determined it appropriate to record the warrants of Sabre Gold Mines Corp. (formerly Golden Predator Mining Corp.) as FVTPL. The initial investment of warrants was recorded using the Black-Scholes option pricing model. The Company revalues the warrants at each reporting period. Any changes in the fair value of the warrants is recorded as unrealized gain or loss on investments until the warrants are sold or impaired for an extended period, at which point any gains and losses recorded to date will be recognized as gain or loss on investments.

Balance as at November 30, 2021	\$	6,000
Change in fair value		(3,000)
Balance as at November 30, 2022		3,000
Change in fair value		(3,000)
Balance as at May 31, 2023	\$	-

The fair value of the warrants was based on the Black-Scholes valuation model using the following inputs:

	Six months ended May 31, 2023	Six months ended May 31, 2022
Risk-free interest rate	4.24%	2.62%
Expected life of options	0.09 years	0.84 years
Expected annualized volatility	156.15%	131.17%
Expected dividend rate	0%	0%

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars***5. Equipment**

	Tools and Equipment	Light Transport Vehicles	Heavy Transport Vehicles	Drilling Equipment	Total
Cost					
Balance, November 30, 2021, 2022 and May 31, 2023	\$ 16,808	\$ 22,703	\$ 2,700	\$ 32,154	\$ 74,365
Accumulated depreciation					
Balance, November 30, 2021	\$ 2,038	\$ 8,437	\$ 1,003	\$ 5,974	\$ 17,452
Depreciation	2,153	8,918	1,061	6,316	18,448
Balance, November 30, 2022	4,191	17,355	2,064	12,290	35,900
Depreciation	1,346	5,348	636	3,947	11,277
Balance, May 31, 2023	\$ 5,537	\$ 22,703	\$ 2,700	\$ 16,237	\$ 47,177
Carrying Value					
At November 30, 2022	\$ 12,617	\$ 5,348	\$ 636	\$ 19,864	\$ 38,465
At May 31, 2023	\$ 11,271	\$ -	\$ -	\$ 15,917	\$ 27,188

6. Shareholders' Equity**a) Authorized**

Unlimited number of common shares without par value.

b) Issued Share Capital

During the six months ended May 31, 2023, the Company did not issue any common shares.

During the year ended November 30, 2022:

- (i) On December 30, 2021, the Company closed a non-brokered private placement of 15,850,000 flow-through units at \$0.10 per unit and 6,604,333 non flow-through units at \$0.09 per unit for gross proceeds of \$2,179,390. Each flow-through and non flow-through unit consisted of one flow-through common share and one-half warrant. Each warrant is exercisable for one additional non flow-through common share at \$0.15 per share until December 30, 2023.

Of the cash proceeds received from non flow-through shares, \$502,000 was allocated to share capital and \$92,390 was allocated to warrants based on their relative fair value.

The amount of the flow-through share liability associated with the flow-through shares was determined to be \$158,500 based on the difference between the fair value price per share of the flow-through and the non flow-through shares. The remaining proceeds from the flow-through shares, after deducting the flow-through share liability was \$1,426,500, of which \$1,205,000 was allocated to share capital and \$221,500 was allocated to warrants based on their relative fair value.

The Company paid share issue costs of \$70,946, issued 194,444 non flow-through units valued at \$19,444 and issued 771,000 finders' fee warrants valued at \$35,000 associated with the private placement. Each non flow-through unit consisted of one non flow-through common share and one-half warrant. Each warrant is exercisable for one additional non flow-through common share at \$0.15 per share until December 30, 2023.

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars***6. Shareholders' Equity - continued****b) Issued Share Capital - continued**

Of the value of non flow-through shares of \$19,444, \$16,000 was allocated to share capital and \$3,444 was allocated to warrants based on their relative fair value. Of the 771,000 finders' fee warrants issued, 123,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at \$0.09 per share, 486,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at \$0.10 per share, and 162,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at \$0.15 per share, all exercisable until December 30, 2023.

- (ii) On August 23, 2022, the Company issued 650,000 common shares as part of the option and staking agreements relating to the Motherlode Gold Project (Note 3) valued at \$45,500.

c) Flow-through Share Liability

The following is a continuity of the liability portion of the flow-through share issuances:

Balance, November 30, 2021	\$	-
Flow-through premium liability additions		158,500
Settlement of flow-through premium liability pursuant to qualifying expenditures		(158,500)
Balance, November 30, 2022 and May 31, 2023	\$	-

d) Warrants

Details of warrant activity for the six months ended May 31, 2023 and the year ended November 30, 2022 are as follows:

November 30, 2021	Issued	November 30, 2022 and May 31, 2023	Exercise Price	Expiry Date
-	11,324,388	11,324,388	\$0.15	December 30, 2023
-	123,000	123,000	\$0.09	December 30, 2023
-	486,000	486,000	\$0.10	December 30, 2023
-	162,000	162,000	\$0.15	December 30, 2023
-	12,095,388	12,095,388	\$0.15	

e) Share Options

The Company has a rolling share option plan, which authorizes the Board of Directors to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than market price of the Company's shares calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's share option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule at its discretion.

Details of activity in share purchase options for the six months ended May 31, 2023 and the year ended November 30, 2022 are as follows:

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars***6. Shareholders' Equity - continued****e) Share Options - continued**

November 30, 2021	Issued	November 30, 2022	Cancelled	May 31, 2023	Exercise Price	Expiry Date
2,625,000	-	2,625,000	-	2,625,000	\$0.08	November 20, 2023
2,670,000	-	2,670,000	(40,000)	2,630,000	\$0.15	May 25, 2025
75,000	-	75,000	-	75,000	\$0.28	October 21, 2025
2,690,000	-	2,690,000	(40,000)	2,650,000	\$0.21	January 29, 2026
2,150,000	-	2,150,000	(40,000)	2,110,000	\$0.095	October 18, 2026
-	400,000	400,000	-	400,000	\$0.065	September 30, 2027
10,210,000	400,000	10,610,000	(120,000)	10,490,000	\$0.13	

e) Weighted average shares outstanding – basic and diluted

The following summarized the calculation of basic and diluted earnings per share:

	Three months ended May 31, 2023		Three months ended May 31, 2022		Six months ended May 31, 2023		Six months ended May 31, 2022	
Earnings (loss) for the period	\$	(243,986)	\$	3,507,049	\$	(707,772)	\$	3,263,546
Basic weighted average number of shares outstanding		130,366,808		129,716,808		130,366,808		125,528,166
Effect of dilutive securities:								
Stock options		-		900,688		-		936,206
Diluted weighted average number of shares outstanding		130,366,808		130,617,476		130,366,808		126,464,372
Earnings per shares								
Basic	\$	(0.00)	\$	0.03	\$	(0.00)	\$	0.03
Diluted	\$	(0.00)	\$	0.03	\$	(0.00)	\$	0.03

7. Segmented Information**a) Operating Segment**

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the Dominican Republic.

PRECIPITATE GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****For the Six Months Ended May 31, 2023 and 2022***Unaudited – Prepared by Management**Expressed in Canadian Dollars***7. Segmented Information - continued****b) Geographic Segments**

The Company's geographic information as at May 31, 2023 and November 30, 2022 are as follows:

As at May 31, 2023	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	\$ 163,550	\$ 898,069	\$ -	\$ 1,061,619
Equipment	-	27,188	-	27,188
Other assets	5,855,130	37,026	5,629	5,897,785
Total	\$ 6,018,680	\$ 962,283	\$ 5,629	\$ 6,986,592

As at November 30, 2022	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	\$ 167,750	\$ 898,069	\$ -	\$ 1,065,819
Equipment	-	38,465	-	38,465
Other assets	6,849,653	39,862	5,629	6,895,144
Total	\$ 7,017,403	\$ 976,396	\$ 5,629	\$ 7,999,428

8. Related Party Transactions

Key management personnel consist of directors and senior management including the President, Chief Executive Officer and Vice President of Exploration and Chief Financial Officer. Key management personnel compensation for the six months ended May 31, 2023 and 2022 includes:

	2023	2022
Salaries and wages	\$ 94,500	\$ 152,500
Consulting and directors' fees	20,000	110,000
Geological consulting	89,500	97,125
Accounting expense	30,000	16,500
	\$ 234,000	\$ 376,125

The accounts payable and accrued liabilities of the Company as at May 31, 2023 included amounts due to related parties of \$42,365 (November 30, 2022 - \$51,715).

9. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital and deficit.

PRECIPITATE GOLD CORP.
Notes to the Condensed Consolidated Interim Financial Statements
For the Six Months Ended May 31, 2023 and 2022
Unaudited – Prepared by Management
Expressed in Canadian Dollars

9. Capital Management - continued

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. There have been no changes to the approach with capital management during the six-month period ended May 31, 2023.

10. Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities, approximates their carrying value due to their short term maturity. Investment in Sabre Gold Mines Corp. warrants is measured using level 3 of fair value hierarchy (Note 4).

Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including credit risk, liquidity risk, interest rate risk and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities and income taxes payable, all of which have contractual maturities of less than a year. The Company is not exposed to liquidity risk

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are due from Government entities. Management is of the view that all amounts are fully collectible.

PRECIPITATE GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the Six Months Ended May 31, 2023 and 2022

Unaudited – Prepared by Management

Expressed in Canadian Dollars

10. Financial Instruments - continued

Management of Risks Arising From Financial Instruments - continued

(iii) 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 has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Political Risk

The Company has subsidiaries in the Dominican Republic and the United States. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) Foreign Currency Fluctuation Risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs and vendors are primarily in Canada and the Dominican Republic. Any fluctuations of the Canadian dollar in relation to these currencies may affect the profitability of the Company and the value of the Company's assets and liabilities. The Company's exposure to foreign currency fluctuations is minimal.