



Unaudited Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
For the six months ended July 31, 2024

*The attached financial statements have been prepared by Management of
Harfang Exploration Inc. and have not been reviewed by the auditor*

HARFANG EXPLORATION INC.Statements of Financial Position
(Unaudited, in Canadian Dollars)

	Note	As at July 31, 2024 \$	As at January 31, 2024 \$
Assets			
Current assets			
Cash	4	5,094,577	6,427,920
Sales tax receivable		119,687	38,783
Tax credits receivables		498,832	498,832
Prepaid expenses and others		63,823	103,646
Current assets		5,776,919	7,069,181
Non-current assets			
Deferred transaction costs	9	209,037	-
Listed shares	5	132,500	167,000
Exploration and evaluation assets	6	9,277,623	9,185,775
Capital assets		149,542	169,481
Non-current assets		9,768,702	9,522,256
Total assets		15,545,621	16,591,437
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		502,850	119,070
Liability related to the premium on flow-through shares		127,772	468,172
Lease liabilities – current portion		25,803	23,978
Current liabilities		656,425	611,220
Non-current liabilities			
Lease liabilities		98,654	110,422
Total Liabilities		755,079	721,642
Equity			
Share capital		29,243,688	29,179,394
Contributed surplus		2,211,389	2,077,489
Deficit		(16,664,535)	(15,387,088)
Total equity		14,790,542	15,869,795
Total liabilities and equity		15,545,621	16,591,437

Subsequent events

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

HARFANG EXPLORATION INC.
Statements of Loss and Comprehensive Loss
(Unaudited, in Canadian Dollars)

	Note	Three months ended July 31,		Six months ended July 31,	
		2024 \$	2023 \$	2024 \$	2023 \$
Operating Expenses					
Exploration and evaluation expenditures, net of tax credits	8	607,011	302,798	691,779	1,115,794
Salaries and benefits		48,216	39,423	85,149	91,763
Stock-based compensation	7	-	-	133,900	-
Director's fees		17,875	20,875	35,750	41,750
Consulting and professional fees		277,967	99,756	493,068	258,312
Office and administrative		29,358	27,084	73,401	52,019
Travel, conference and investor relations		89,279	54,092	189,392	110,718
Filing fees		14,008	9,186	29,829	20,521
Depreciation		9,969	9,969	19,939	9,969
Gain on disposal of exploration and evaluation assets		-	-	-	(7,189)
Residual gain on option payment on exploration and evaluation assets	6	(25,000)	(25,000)	(25,000)	(25,000)
Impairment of exploration and evaluation assets		-	962	-	962
Operating expenses		(1,068,683)	(539,145)	(1,727,207)	(1,669,619)
Other income (expense)					
Interest income		71,227	81,779	150,391	163,673
Change in fair value – listed shares		(43,500)	(21,750)	(34,500)	(53,000)
Finance costs – financing fees lease		(3,224)	(2,495)	(6,531)	(2,495)
		24,503	57,534	109,360	108,178
Loss before income taxes		(1,044,180)	(481,611)	(1,617,847)	(1,561,441)
Deferred income taxes recovery		311,200	122,821	340,400	317,621
Net loss and comprehensive loss		(732,980)	(358,790)	(1,277,447)	(1,243,820)
Net loss per common share - basic and diluted		(0.01)	(0.01)	(0.02)	(0.02)
Weighted average number of common shares outstanding - basic and diluted		64,676,670	60,838,129	64,651,417	59,931,699

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HARFANG EXPLORATION INC.

Statements of Changes in Equity (Unaudited, in Canadian Dollars)

	Note	Number of Shares outstanding	Share Capital	Warrants	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$
Balance at February 1, 2023		58,063,313	28,155,697	15,997	2,009,492	(13,193,541)	16,987,645
Net loss and comprehensive loss		-	-	-	-	(1,243,820)	(1,243,820)
Issuance of shares under flow-through private placements		2,795,543	1,005,100	-	-	-	1,005,100
• Less: Liability related to the premium on flow-through shares		-	(394,200)	-	-	-	(394,200)
Share issuance costs		-	(17,153)	-	-	-	(17,153)
Warrants expired		-	-	(11,748)	11,748	-	-
Balance at July 31, 2023		60,858,856	28,749,444	4,249	2,021,240	(14,437,361)	16,337,572
Balance at February 1, 2024		64,166,000	29,179,394	-	2,077,489	(15,387,088)	15,869,795
Net loss and comprehensive loss		-	-	-	-	(1,277,447)	(1,277,447)
Exploration and evaluation assets paid in shares	6	510,670	64,294	-	-	-	64,294
Stock-based compensation	7	-	-	-	133,900	-	133,900
Balance at July 31, 2024		64,676,670	29,243,688	-	2,211,389	(16,664,535)	14,790,542

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

HARFANG EXPLORATION INC.Statements of Cash Flows
(Unaudited, in Canadian Dollars)

		Six months ended July 31,	
	Note	2024	2023
		\$	\$
Operating activities			
Net loss for the period		(1,277,447)	(1,243,820)
Adjustments for:			
Residual gain on option payment on exploration and evaluation assets	6	(25,000)	(25,000)
Stock-based compensation	7	133,900	-
Depreciation		19,939	9,969
Gain on disposal of exploration and evaluation assets		-	(7,189)
Impairment of exploration and evaluation assets		-	962
Change in fair value – listed shares		34,500	53,000
Deferred income taxes recovery		(340,400)	(317,621)
Changes in non-cash working capital items			
Sales tax receivable		(80,904)	52,005
Tax credits receivable		-	(206,522)
Prepaid expenses and others		39,823	573
Accounts payable and accrued liabilities		233,714	(40,955)
Cash flows used in operating activities		(1,261,875)	(1,724,598)
Investing activities			
Investment in exploration and evaluation assets	6	(27,554)	(59,094)
Proceeds from disposal of exploration and evaluation assets		-	5,000
Option payment receipt on exploration and evaluation assets	6	25,000	25,000
Acquisition of capital assets		-	(35,873)
Deferred transaction costs		(58,971)	-
Cash flows from (used) in investing activities		(61,525)	(64,967)
Financing activities			
Flow-through private placements		-	1,005,100
Share issuance costs		-	(25,535)
Principal repayment – lease liabilities		(9,943)	(16,811)
Cash flows from financing activities		(9,943)	962,754
Net change in cash		(1,333,343)	(826,811)
Cash – beginning		6,427,920	7,413,806
Cash – ending		5,094,577	6,586,995
Additional information			
Interest received		150,391	163,673
Shares received in exchange of exploration and evaluation assets		-	30,000
Deferred transaction costs included in accounts payable and accrued liabilities		150,066	-

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

HARFANG EXPLORATION INC.

Notes to the Condensed Interim Financial Statements

Six months ended July 31, 2024

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS

Harfang Exploration Inc. (the “Corporation” or “Harfang”) was incorporated on March 30, 2010 under the Business Corporations Act (British Columbia) and on June 22, 2017, in conjunction with a reverse takeover, continued under the Business Corporations Act (Québec). The Corporation’s shares are listed on the TSX Venture Exchange under symbol HAR. The Corporation’s head office is located at 1100, Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Corporation, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in the James Bay area in the Province of Québec for gold and lithium and in northeastern Ontario for gold.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of deferred exploration and evaluation expenses is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to continue the exploration, evaluation and development of its properties; and obtaining certain government approvals or proceeds from the disposal of properties. Changes in future conditions could require material impairment of the carrying value of the exploration and evaluation assets. The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although the Corporation has taken steps to verify title to its mining properties on which it is currently conducting exploration and evaluation work, in accordance with industry standards for the current stage of exploration and evaluation of such property, these procedures do not guarantee the Corporation’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These unaudited condensed interim financial statements (the “Financial Statements”) have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting. Accordingly, the Financial Statements do not include all of the information and footnotes required by IFRS Accounting Standards for complete financial statements for year-end reporting purposes.

The Financial Statements were approved by the Corporation’s Board of Directors on September 19, 2024.

2.2 Basis of Presentation

The Financial Statements should be read in conjunction with the audited annual consolidated financial statements for the year ended January 31, 2024 of the Corporation, which have been prepared in accordance with IFRS Accounting Standards. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the Corporation’s previous financial year ended January 31, 2024.

HARFANG EXPLORATION INC.

Notes to the Condensed Interim Financial Statements

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(Unaudited, in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual consolidated financial statements for the year ended January 31, 2024.

4. CASH

The balance on flow-through financing not spent according to the terms of the financings completed on December 22, 2023 by Harfang represents \$247,360, as at July 31, 2024, and is included in cash. The Corporation has to dedicate these funds to Canadian mining properties exploration activities by December 31, 2024.

5. LISTED SHARES

	As at July 31, 2024			As at July 31, 2023		
	Market price per share	Number of shares	Fair value	Market price per share	Number of shares	Fair value
	\$		\$	\$		\$
QcX Gold Corp.	0.02	1,750,000	35,000	0.045	1,750,000	78,750
Monarch Mining Corporation	0.00	1,250,000	-	0.035	1,250,000	43,750
Abitibi Metals Corp.	0.325	300,000	97,500	0.07	600,000	42,000
			132,500			164,500

The listed shares are only common shares of Canadian publicly traded companies. The fair values of the listed shares are based on the quoted market prices of those shares on a recognized stock exchange at the end of each reporting period (Level 1).

HARFANG EXPLORATION INC.

Notes to the Condensed Interim Financial Statements

Six months ended July 31, 2024

(Unaudited, in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Mineral properties acquisition costs	As at Feb. 1, 2024	Property acquisitions	Option payments	As at July 31, 2024
	\$	\$	\$	\$
Lake Menarik	738,165	-	-	738,165
Menarik East	114,487	-	-	114,487
Serpent-Radisson	4,968,033	-	-	4,968,033
La Passe	44,684	-	-	44,684
Taïga	48,356	-	-	48,356
Blakelock	1,540,930	-	-	1,540,930
Egan ⁽¹⁾	1,619,554	64,294	27,554	1,711,402
Ewart	19,040	-	-	19,040
Lemare	19,561	-	-	19,561
Conviac	23,800	-	-	23,800
Sakami	34,680	-	-	34,680
Ross	14,485	-	-	14,485
	9,185,775	64,294	27,554	9,277,623

Mineral properties acquisition costs	As at Feb. 1, 2023	Net claims acquisitions / renewals	Disposal	Impairment	As at July 31, 2023
	\$	\$	\$	\$	\$
Lake Menarik	725,925	2,890	-	-	728,815
Menarik East	114,487	-	-	-	114,487
Serpent-Radisson	4,960,553	5,780	-	-	4,966,333
Lake Fagnant	8,537	-	-	(423)	8,114
Lake Aulneau	11,427	-	-	(539)	10,888
La Passe	35,164	9,520	-	-	44,684
Taïga	48,356	-	-	-	48,356
Blakelock	1,540,930	-	-	-	1,540,930
Egan	1,534,554	-	-	-	1,534,554
Selbaïe	27,811	-	(27,811)	-	-
Ewart	19,040	-	-	-	19,040
Lemare	15,972	3,589	-	-	19,561
Conviac	23,800	-	-	-	23,800
Sakami	34,680	-	-	-	34,680
Ross	-	14,485	-	-	14,485
	9,101,236	36,264	(27,811)	(962)	9,108,727

- (1) Following an amendment to the option agreement in Fiscal 2024, the Corporation earned 100% of the interest in Egan in February 2024 by paying the last \$27,554 cash and issuing 510,670 shares of Harfang valued at \$64,294 as per the exchange price on February 2, 2024. The vendors retain a 2% NSR of which the Corporation retains the option to buy back one-half (1%) of the NSR at any time for \$1,500,000 and a right of first refusal over the remaining NSR.
- (2) In accordance with the option agreement regarding the Pontax property signed with Li-FT Power Ltd., Harfang received the sum of \$25,000 on July 15, 2024 for the second anniversary of the agreement.

HARFANG EXPLORATION INC.

Notes to the Condensed Interim Financial Statements

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(Unaudited, in Canadian Dollars)

7. STOCK OPTIONS

On March 20, 2024, the Corporation granted to its directors, officers, employees and consultants 1,300,000 options exercisable at an exercise price of \$0.15, valid for 10 years. The options vested 100% at the grant date. Those options were granted at an exercise price over the closing market value of the shares the previous day of the grant. Total stock-based compensation costs amount to \$133,900 for an estimated fair value of \$0.103 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 92% expected volatility, 3.5% risk-free interest rate and 10 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

A summary of changes in stock options are as follows:

	Six months ended July 31, 2024	
	Number of options	Weighted Average Exercise Price
		\$
Balance, beginning	2,288,065	0.53
Granted	1,300,000	0.15
Expired	(18,558)	0.77
Balance, end	3,569,507	0.39

Stock options outstanding and exercisable as at July 31, 2024 are as follows:

Number of options outstanding and exercisable	Exercise price	Expiry date
	\$	
362,600	0.55	December 20, 2024
54,390	0.83	September 10, 2026
185,581	0.54	June 22, 2027
55,674	0.54	March 15, 2028
113,670	0.54	July 18, 2028
81,192	0.58	May 27, 2029
114,830	0.54	May 22, 2030
273,733	0.92	February 19, 2031
27,837	0.69	September 28, 2031
600,000	0.55	April 20, 2032
400,000	0.15	December 11, 2033
1,300,000	0.15	March 20, 2034
3,569,507		

HARFANG EXPLORATION INC.

Notes to the Condensed Interim Financial Statements

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(Unaudited, in Canadian Dollars)

8. EXPLORATION AND EVALUATION EXPENSES

	Three months ended July 31,		Six months ended July 31,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and benefits	205,543	138,158	272,807	244,856
Geology	257,810	89,040	274,772	152,839
Analysis	43,707	53,285	43,707	172,020
Transportation	33,068	8,389	33,068	16,305
Geophysics	38,758	-	38,758	110,582
Drilling	-	205	-	679,190
Lodging and food	20,281	7,738	20,281	11,228
Supplies and equipment	7,844	5,983	8,386	7,500
Exploration and evaluation expenditures before tax credits	607,011	302,798	691,779	1,394,520
Tax credits	-	-	-	(278,726)
Exploration and evaluation expenditures	607,011	302,798	691,779	1,115,794

9. SUBSEQUENT EVENTS

Agreement and related transactions

On August 8, 2024, Harfang and NewOrigin Gold Corp. ("NewOrigin") entered into a definitive arrangement agreement (the "Agreement") pursuant to which Harfang has agreed, subject to certain conditions, to acquire all the issued and outstanding common shares of NewOrigin that it does not already own or may acquire (the "Transaction"). Following completion of the Transaction, it is expected that the shareholders of NewOrigin will own approximately 20% of the issued and outstanding common shares of Harfang.

Pursuant to the terms of the Transaction, the expected share exchange ratio is 0.25694426 of a Harfang Share for each NewOrigin Share (except for any NewOrigin Shares held by Harfang, as applicable) (the "Exchange Ratio"), subject to adjustment in accordance with the Agreement. Warrants and stock options of NewOrigin will be adjusted or exchanged to become warrants and stock options, respectively, of Harfang based on the Exchange Ratio.

On August 20, 2024, Harfang and NewOrigin have entered into a subscription agreement pursuant to which, NewOrigin issued to Harfang a convertible debenture pursuant to which Harfang loan a principal amount of \$250,000 to NewOrigin (the "Debenture"). The principal amount of the Debenture bears interest at a rate equal to the prime rate plus 5%, which as of August 20, 2024, is equal to 11.7% per annum. The proceeds arising from the Debenture are expected to be used by NewOrigin to pay certain accounts payable and loans currently outstanding, as well as various transaction fees. The maturity date of the Debenture will be the earlier of the closing of the Transaction and January 31, 2025. Subject to certain conditions, the principal amount of the Debenture will be convertible into NewOrigin Shares at a price of \$0.05 per NewOrigin Share.

On September 9, 2024, NewOrigin completed a series of shares for debt transactions pursuant to which NewOrigin issued Shares to settle several outstanding accounts and loans, currently payable to certain current and former directors and officers of NewOrigin (including wholly-owned corporations thereof) and service providers, for a total amount of \$181,110 (the "Shares for Debt Transactions"). NewOrigin issued 6,037,015 NewOrigin Shares at a deemed price of \$0.03 per NewOrigin Share in connection with the Shares for Debt Transactions.

The Transaction will be completed by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) and will require the approval of the Ontario Superior Court of Justice (Commercial List) and the approval by 66 $\frac{2}{3}$ % of the votes cast by NewOrigin shareholders at a meeting of NewOrigin shareholders to be held October 23, 2024 (the "NewOrigin Meeting"). The Transaction is expected to be completed shortly following the NewOrigin Meeting.

HARFANG EXPLORATION INC.

Notes to the Condensed Interim Financial Statements

Six months ended July 31, 2024

(Unaudited, in Canadian Dollars)

The Agreement includes a covenant of Harfang to ensure that all mineral claims related to the Sky Lake, North Abitibi and South Abitibi Projects remain in good standing beginning on the date of the Agreement.

As of July 31, 2024, the Corporation incurred various transaction costs of \$209,037, which were recorded as Deferred transaction costs to the statement of financial position as the Transaction will be recorded as an acquisition of assets since the acquired assets and assumed liabilities do not constitute businesses under IFRS 3, *Business Combinations*.