

MAYFAIRGOLD

CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS
ENDED SEPTEMBER 30, 2023 AND 2022

(Unaudited)

MANAGEMENT’S RESPONSIBILITY FOR INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the Company’s audited financial statements as at December 31, 2022. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. The interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) appropriate in the circumstances.

The Company maintains adequate systems of internal controls. Such systems are designed to provide reasonable assurance that transactions are properly authorized and recorded, the Company’s assets are appropriately accounted for and adequately safeguarded and that the financial information is relevant and reliable.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements and the accompanying management’s discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the financial statements, management’s discussion and analysis, the external auditors’ reports, examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to the shareholders.

(signed) “*Patrick Evans*”

Patrick Evans

President & Chief Executive Officer

November 14, 2023

(signed) “*Justin Byrd*”

Justin Byrd

Chief Financial Officer

November 14, 2023

MAYFAIR GOLD CORP.

Condensed Interim Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited)

	Notes	September 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash		\$ 5,780,858	\$ 6,791,778
Amounts receivable		240,081	399,286
Prepaid expenses	4	224,033	107,562
		6,244,972	7,298,626
Non-current assets			
Property, plant and equipment	5, 6	474,431	511,092
Mineral properties	7	13,997,500	13,997,500
		14,471,931	14,508,592
Total assets		\$ 20,716,903	\$ 21,807,218
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,106,922	\$ 1,953,189
Lease liability	6	-	9,966
Deferred premium on flow-through shares	8, 9	355,655	542,687
		1,462,577	2,505,842
Total liabilities		1,462,577	2,505,842
Shareholders' equity:			
Share capital	9	56,762,813	46,277,610
Share-based payments reserve	9	5,304,540	4,919,581
Deficit		(42,813,027)	(31,895,815)
Shareholders' equity		19,254,326	19,301,376
Total liabilities and shareholders' equity		\$ 20,716,903	\$ 21,807,218
Subsequent events	16		

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

Approved on behalf of the Board of Directors:*(Signed) "Chris Reynolds"***Chris Reynolds**

Director

November 14, 2023

*(Signed) "Sean Pi"***Sean Pi**

Director

November 14, 2023

MAYFAIR GOLD CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
Expenses					
Exploration and evaluation expenses	12	\$ 2,978,831	\$ 3,084,345	\$ 10,709,063	\$ 11,705,803
General and administrative expenses	13	557,357	404,010	1,806,686	1,341,304
Share-based payment expense	9	66,921	48,008	493,089	1,315,168
Depreciation expense	5	16,690	39,286	62,165	115,236
Foreign exchange loss (gain)		1,012	(6,723)	4,622	(9,996)
Interest income		(78,037)	(37,923)	(197,381)	(53,713)
Other income	10	(80,000)	-	(80,000)	-
Other income - flow through premium	8	(766,606)	(781,123)	(1,881,032)	(1,989,001)
Loss and comprehensive loss for the period		\$ 2,696,168	\$ 2,749,880	\$ 10,917,212	\$ 12,424,801
Basic and diluted loss per common share		\$ 0.03	\$ 0.03	\$ 0.12	\$ 0.15
Weighted average number of common shares outstanding - basic and diluted		95,286,502	84,951,007	92,831,533	82,100,091

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

MAYFAIR GOLD CORP.

Condensed Interim Statements of Changes in Shareholders' Equity
Expressed in Canadian Dollars
(Unaudited)

	Notes	Number of shares	Share capital	Share-based payments reserve	Deficit	Total
Balance, January 1, 2022		80,651,007	\$ 37,364,565	\$ 1,636,911	\$ (13,667,814)	\$ 25,333,662
Issuance of common shares - private placements	9 (ii)	7,300,000	11,989,000	-	-	11,989,000
Flow-through premium - private placements	9 (ii)	-	(2,359,000)	-	-	(2,359,000)
Share issue costs	9 (ii)	-	(716,955)	-	-	(716,955)
Share-based payment expense	9 (iii)	-	-	3,282,670	-	3,282,670
Loss and comprehensive loss for the year		-	-	-	(18,228,001)	(18,228,001)
Balance, December 31, 2022		87,951,007	46,277,610	4,919,581	(31,895,815)	19,301,376
Issuance of common shares - private placements	9 (ii)	7,149,000	12,477,350	-	-	12,477,350
Flow-through premium - private placement	9 (ii)	-	(1,694,000)	-	-	(1,694,000)
Share issue costs	9 (ii)	-	(535,527)	-	-	(535,527)
Issuance of common shares - exercise of options	9 (iii)	275,000	129,250	-	-	129,250
Fair value of share options exercised from share-based payments reserve	9 (iii)	-	108,130	(108,130)	-	-
Share-based payment expense	9 (iii)	-	-	493,089	-	493,089
Loss and comprehensive loss for the period		-	-	-	(10,917,212)	(10,917,212)
Balance, September 30, 2023		95,375,007	\$ 56,762,813	\$ 5,304,540	\$ (42,813,027)	\$ 19,254,326

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

MAYFAIR GOLD CORP.

Condensed Interim Statements of Cash Flows

Expressed in Canadian Dollars

(Unaudited)

		Nine months ended	
		September 30,	
	Notes	2023	2022
Operating Activities			
Net loss for the period		\$ (10,917,212)	\$ (12,424,801)
Adjustments:			
Foreign exchange loss (gain)		4,622	(9,996)
Depreciation		62,165	115,236
Other income - flow-through premium		(1,881,032)	(1,989,001)
Share-based payment expense		493,089	1,315,168
Changes in non-cash operating working capital:			
Amounts receivable		159,205	(113,771)
Prepaid expenses		(116,471)	26,382
Accounts payable and accrued liabilities		(846,267)	270,858
Cash used in operating activities		(13,041,901)	(12,809,925)
Investing Activities			
Acquisition of property, plant and equipment	5	(25,504)	(116,426)
Cash used in investing activities		(25,504)	(116,426)
Financing Activities			
Issuance of shares - private placements proceeds, net of costs	9 (ii)	11,941,823	6,607,564
Proceeds from option exercises		129,250	-
Payment of lease liability	6	(9,966)	(44,001)
Cash from financing activities		12,061,107	6,563,563
Effect of foreign exchange rate changes on cash		(4,622)	9,996
Net decrease in cash		(1,010,920)	(6,352,792)
Cash, beginning of period		6,791,778	12,035,601
Cash, end of period		\$ 5,780,858	\$ 5,682,809
Non-cash transactions			
Fair value reversal of exercise of options	9 (iii)	\$ 108,130	-

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

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

1. NATURE OF OPERATIONS

Mayfair Gold Corp. (“Mayfair Gold” or the “Company”) was incorporated on July 30, 2019, under the British Columbia Business Corporation Act. The address of the Company’s registered and records office is Suite 700 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5. The Company’s principal place of business is 489 MacDougall Street, Matheson, ON, Canada, P0K 1N0. The principal business of the Company is to acquire, explore, evaluate and develop mineral properties.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements of the Company were prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting (“IAS 34”). The accounting policies used in the preparation of these unaudited condensed interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2022 and should be read in conjunction with the Company’s annual financial statements as at and for the year ended December 31, 2022. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements. These interim financial statements were authorized for issue by the Company’s Board of Directors on November 14, 2023.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the date of the condensed interim financial statements and reported amounts of revenues and expenses during the three and nine months ended September 30, 2023 and 2022. Estimates and assumptions used in preparation of these condensed interim financial statements are consistent with those used by the Company in preparing the annual financial statements as at and for the year ended December 31, 2022. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

4. PREPAID EXPENSES

The Company’s prepaid expenses consist of deposits for drilling related expenses, insurance policy prepayments, software, and other expenses.

	September 30, 2023	December 31, 2022
Prepaid expenses	\$ 63,689	\$ 92,218
Deposits with suppliers	160,344	15,344
	\$ 224,033	\$ 107,562

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

5. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at September 30, 2023 and December 31, 2022, is as follows:

	Computers	Furniture and Fixtures	Building Exploration Office	Land Exploration Office	Machinery and Equipment	Vehicles	Right-of-Use Lease Assets	Total
Cost								
At January 1, 2022	\$ 64,174	\$ 13,210	\$ 240,362	\$ 69,000	\$ 36,024	\$ 130,050	\$ 88,105	\$ 640,925
Additions	3,608	-	103,268	-	9,550	-	-	116,426
At December 31, 2022	67,782	13,210	343,630	69,000	45,574	130,050	88,105	757,351
Additions	-	-	14,790	-	10,714	-	-	25,504
At September 30, 2023	\$ 67,782	\$ 13,210	\$ 358,420	\$ 69,000	\$ 56,288	\$ 130,050	\$ 88,105	\$ 782,855
Accumulated depreciation								
At January 1, 2022	\$ (36,287)	\$ (1,960)	\$ (11,003)	\$ -	\$ (5,356)	\$ (21,752)	\$ (19,579)	\$ (95,937)
Depreciation	(28,962)	(2,642)	(11,851)	-	(9,115)	(39,016)	(58,736)	(150,322)
At December 31, 2022	(65,249)	(4,602)	(22,854)	-	(14,471)	(60,768)	(78,315)	(246,259)
Depreciation	(2,533)	(1,982)	(10,333)	-	(8,266)	(29,261)	(9,790)	(62,165)
At September 30, 2023	\$ (67,782)	\$ (6,584)	\$ (33,187)	\$ -	\$ (22,737)	\$ (90,029)	\$ (88,105)	\$ (308,424)
Carrying amounts								
At December 31, 2022	\$ 2,533	\$ 8,608	\$ 320,776	\$ 69,000	\$ 31,103	\$ 69,282	\$ 9,790	\$ 511,092
At September 30, 2023	\$ -	\$ 6,626	\$ 325,233	\$ 69,000	\$ 33,551	\$ 40,021	\$ -	\$ 474,431

6. LEASES

The Company was party to contracts that contain a lease for the rental of storage facilities. With the exception of short-term leases, leases with low-value, and leases with variable payments proportional to the rate of use of the underlying asset, which are included in expenses in the statements of loss and comprehensive loss, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 5).

The Company makes certain judgements and estimations in regards to the calculation of an appropriate discount rate for lease accounting. For the rental contracts of storage facilities without implicit discount rates, the Company determined the incremental rate of borrowing to be 2.7% per annum based upon quotes from lenders for loans of similar value and duration.

	September 30, 2023	December 31, 2022
Lease liabilities	\$ 9,966	\$ 68,833
Lease payments made	(10,000)	(60,000)
Interest expense on lease liabilities	34	1,133
Lease liability remaining	\$ -	\$ 9,966
Lease liability, Current	\$ -	\$ 9,966
Lease liability, Non-current	\$ -	\$ -

7. MINERAL PROPERTIES

On June 8, 2020, the Company entered into a binding asset purchase agreement (the "Asset Purchase Agreement") with Lake Shore Gold Corp. ("Lake Shore"). Pursuant to the terms of the Asset Purchase Agreement, the Company agreed to acquire 21 fee simple patented properties, 153 unpatented mining claims, and 144 patented leasehold mining claims located in the Guibord, Munro, Michaud and McCool Townships in northeast Ontario, Canada (collectively, the "Fenn-Gib Property"). As consideration for the acquisition of the Fenn-Gib Property (the

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

“Acquisition”), the Company agreed to: (i) pay Lake Shore a cash payment of US\$11,000,000; and (ii) grant Lake Shore a 1.0% net smelter returns royalty derived from the future production of minerals from the Fenn-Gib Property. On December 31, 2020, the transaction closed and \$13,997,500 (US\$11,000,000) was paid and recorded as mineral properties on the financial statements. The continuity of the Mineral Properties is as follows:

	September 30, 2023	December 31, 2022
Balance, beginning of period	\$ 13,997,500	\$ 13,997,500
Acquired mineral rights and claims	-	-
Balance, end of period	\$ 13,997,500	\$ 13,997,500

8. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the fair value of common shares is initially recognized as a liability. The liability is reduced on a pro-rata basis and recorded in other income based on the corresponding eligible expenditures that have been incurred.

	September 30, 2023	December 31, 2022
Balance, beginning of period	\$ 542,687	\$ 1,207,878
Deferred premium liability recognized on flow-through issuances	1,694,000	2,359,000
Income recognized based on corresponding eligible expenditures	(1,881,032)	(3,024,191)
Balance, end of period	\$ 355,655	\$ 542,687

9. SHARE CAPITAL

(i) Authorized share capital

Unlimited common shares, without par value. Each common share entitles the holder to one shareholder vote. There is no other class of shares in the Company.

(ii) Share capital

The number of shares issued and fully paid as at September 30, 2023 is 95,375,007. No preferred shares are issued or outstanding. Transactions for the issue of share capital during the nine months ended September 30, 2023 and December 31, 2022 are as follows:

- On June 30, 2022, the Company completed a flow-through private placement consisting of the issue of 4,300,000 common shares at a price of \$1.63 per share for total consideration of \$7,009,000. An amount of \$1,849,000 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of \$401,436 were incurred in connection with the offering.
- On December 31, 2022, the Company completed a flow-through private placement consisting of the issue of 3,000,000 common shares at a price of \$1.66 per share for total consideration of \$4,980,000. An amount of \$510,000 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of \$315,519 were incurred in connection with the offering.
- On January 10, 2023, the Company completed a non-flow-through private placement consisting of the issue of 3,000,000 common shares at a price of \$1.15 per share for total consideration of \$3,450,000. Share issuance costs of \$15,294 were incurred in connection with the offering.
- On May 17, 2023, the Company completed a flow-through private placement consisting of the issue of 2,420,000 common shares at a price of \$2.48 per share for total consideration of \$6,001,600. An amount

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

of \$1,694,000 was recognized as the premium paid for the flow-through shares in excess of the fair value of the common shares, and was initially recognized as a liability. Share issuance costs of \$314,012 were incurred in connection with the offering.

- (e) On June 8, 2023, the Company completed a non-flow-through private placement consisting of the issue of 1,729,000 common shares at a price of \$1.75 per share for total consideration of \$3,025,750. Share issuance costs of \$206,221 were incurred in connection with the offering.

(iii) Stock options

The Company, through its Board of Directors and shareholders, adopted a long-term equity incentive plan (the "Plan") which, among other things, allows for the maximum number of shares that may be reserved for issuance under the Plan to be 10% of the Company's issued and outstanding shares at the time of the grant. The Board of Directors has the authority and discretion to grant stock options as identified in the Plan, which includes provisions limiting the issuance of options to qualified persons and employees of the Company to maximums identified in the Plan and the vesting terms.

The following table summarizes information about the stock options outstanding and exercisable at September 30, 2023 and December 31, 2022, none of which have been exercised:

	September 30, 2023		December 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of period	8,035,000	\$ 0.84	3,850,000	\$ 0.54
Granted during the period	100,000	\$ 1.50	4,185,000	\$ 1.12
Exercised during the period	(275,000)	\$ 0.47	-	\$ -
Balance at end of the period	7,860,000	\$ 0.86	8,035,000	\$ 0.84
Options exercisable at the end of the period	7,545,000	\$ 0.84	7,320,000	\$ 0.81

The fair value of the 1,855,000 stock options with an exercise price of \$0.90 granted on January 6, 2022 has been estimated on the date of grant using the Black-Scholes option pricing model, using the assumptions below, and totaled \$1,350,997 or \$0.73 per option. Of the stock options granted, 1,370,000 vested immediately, 242,500 vested upon the completion of the 80,000-meter drill program, and 242,500 vested on the first anniversary of the aforementioned.

The fair value of the 2,330,000 stock options with an exercise price of \$1.29 granted on December 6, 2022 has been estimated on the date of grant using the Black-Scholes option pricing model, using the assumptions below, and totaled \$2,357,494 or \$1.01 per option. Of the stock options granted, 1,857,500 vested immediately, 157,500 vested on June 6, 2023, 157,500 vest on December 6, 2023 and 157,500 vest on June 6, 2024.

The fair value of the 100,000 stock options with an exercise price of \$1.50 granted on February 3, 2023, has been estimated on the date of grant using the Black-Scholes option pricing model, using the assumptions below and totaled \$81,000 or \$0.81 per option. These options vested immediately.

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

	September 30, 2023	December 31, 2022
Exercise price	\$1.50	\$0.90 - \$1.29
Expected volatility	61%	73% - 80%
Expected option life	5 years	10 years
Expected forfeiture	-	-
Expected dividend yield	0%	0%
Risk-free interest rate	2.93%	1.73% - 2.75%
Fair value per option	\$0.81	\$0.73 - \$1.01

The following tables reflect the Black-Scholes values, the number of stock options outstanding, and the exercise price of stock options outstanding at September 30, 2023:

Expiry Date	Number of Options	Exercise Price
December 31, 2030	3,375,000	\$ 0.47
May 3, 2031	200,000	\$ 1.75
January 6, 2032	1,855,000	\$ 0.90
December 6, 2032	2,330,000	\$ 1.29
February 3, 2028	100,000	\$ 1.50

The weighted average remaining contractual life of the options outstanding at September 30, 2023, is 8.03 years.

During the period ended September 30, 2023, 275,000 stock options were exercised for gross proceeds of \$129,250.

The share-based payments recognized as an expense for the three and nine months ended September 30, 2023 and 2022, are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Expense recognized in the period for share-based payments	\$ 66,921	\$ 48,008	\$ 493,089	\$ 1,315,168

10. RELATED PARTIES

The Company's related parties include key management personnel and their close family members, the Company's Board of Directors and their close family members, Heeney Capital Corp, a corporation partially owned by a director of the Company and HC Alternative Investments I, Ltd, ("HC Alternative") a corporation partially owned by a director of the Company. Related party transactions are recorded at their exchange amount, being the amount agreed to by the parties. The Company incurred remuneration expense for key management personnel and paid fees to members of the Board of Directors. The Company also recognized revenue in the current and comparative year related to services it provided to HC Alternative in the nature of strategic planning services, technical advisory, and other

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

consulting services. The transactions for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three months ended September 30, 2023		2022		Nine months ended September 30, 2023		2022	
Consulting fee charged by a company partially owned by a director	\$	75,000	\$	-	\$	135,000	\$	-
Remuneration paid to key management personnel and Directors' Fees	\$	163,973	\$	145,042	\$	513,620	\$	1,361,519

The remuneration of key management personnel for the three and nine months ended September 30, 2023 and 2022 were as follows:

	Three months ended September 30, 2023		2022		Nine months ended September 30, 2023		2022	
Consulting fees and Director's fees	\$	163,973	\$	145,042	\$	513,620	\$	451,144
Share-based payment expense		-		-		-		910,375
	\$	163,973	\$	145,042	\$	513,620	\$	1,361,519

The amounts receivable from HC Alternative were included in accounts receivable at September 30, 2023 and December 31, 2022 as follows. The amounts payable to key management personnel at September 30, 2023 and December 31, 2022 were included in accounts payable and accrued liabilities as follows:

	September 30, 2023		December 31, 2022	
Receivable from HC Alternative for consulting services rendered	\$	89,600	\$	52,640
Payable to Heeney Capital Corp.	\$	75,000	\$	-
Payable to key management personnel	\$	28,924	\$	298,350
	\$	103,924	\$	298,350

11. FINANCIAL INSTRUMENTS*Fair value measurement*

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The fair values of cash approximate the carrying value due to the relatively short-term maturity of this financial instrument and is classified as Level 1 measurement.

Financial instruments risks

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk.

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

Credit risk

The Company is exposed to credit risk by holding cash. This risk is minimized by holding the funds in Canadian Schedule 1 banks. The Company has minimal accounts receivable exposure as its refundable credits are due from the Canadian Government.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. The Company's ability to fund its operations and capital expenditures and other obligations as they become due is dependent on market conditions.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates will affect the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

Foreign currency

The Company is exposed to market risk related to foreign exchange rates. The Company operates in Canada and has foreign currency exposure to transactions in U.S. dollars. The majority of the ongoing operational costs are in Canadian dollars and are funded through operating and financing cash flows.

As at September 30, 2023 and December 31, 2022, the Company had cash, accounts payable and accrued liabilities that are in U.S. dollars. The Canadian dollar equivalent is as follows:

	September 30, 2023		December 31, 2022	
Cash	\$	3,600	\$	105,898
Accounts payable and accrued liabilities		(334)		(28,350)
Total	\$	3,266	\$	77,548

A 10% appreciation or depreciation of the Canadian dollar relative to the U.S. dollar at September 30, 2023, would have resulted in an increase or decrease to net loss for the period of approximately \$327 (December 31, 2022 - \$7,800).

12. EXPLORATION AND EVALUATION EXPENSES

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Exploration personnel and program support	\$ 375,178	\$ 312,012	\$ 1,225,457	\$ 1,020,417
Camp maintenance, supplies, mobilization, general costs	186,824	373,149	972,790	1,398,432
Drilling	1,890,144	1,596,193	5,476,725	5,421,110
Exploration contractors	46,960	241,375	1,499,701	2,262,803
Laboratory analysis	246,562	357,088	771,489	898,043
Other exploration and evaluation	233,163	204,528	762,901	704,998
	\$ 2,978,831	\$ 3,084,345	\$ 10,709,063	\$ 11,705,803

MAYFAIR GOLD CORP.

Notes to Financial Statements (Unaudited)

For the three and nine months ended September 30, 2023 and 2022

Expressed in Canadian Dollars

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Management fees	\$ 179,594	\$ 163,662	\$ 570,924	\$ 509,749
Professional fees	158,380	25,820	508,101	143,877
Transfer agent and regulatory fees	27,871	36,617	117,558	100,896
Marketing and public relations	60,350	9,309	127,107	136,664
Other general and administrative	131,162	168,602	482,996	450,118
	\$ 557,357	\$ 404,010	\$ 1,806,686	\$ 1,341,304

14. CAPITAL MANAGEMENT

The capital of the Company consists of its shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue to pursue the exploration and evaluation of its mineral properties and to maintain optimal returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in order to have the funds available to support the acquisition and exploration and evaluation of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

	September 30, 2023	December 31, 2022
Share capital	\$ 56,762,813	\$ 46,277,610
Share-based payments reserve	5,304,540	4,919,581
Deficit	(42,813,027)	(31,895,815)
	\$ 19,254,326	\$ 19,301,376

In order to carry out the planned management of the Company and to pay for administrative costs, the Company will utilize its existing working capital and as required, raise additional funds through equity financings. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2023.

15. SEGMENTED REPORTING

The Company has determined that it has only one operating segment, which is defined as an exploration and development unit in Canada.

16. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2023, the Company completed a flow-through private placement consisting of the issue of 2,040,000 common shares at a price of \$2.94 for a total consideration of \$5,997,600. The Company also completed a non-flow-through private placement consisting of the issue of 2,881,000 common shares at a price of \$2.10 for a total consideration of \$6,050,100.

On November 14, 2023, the Company granted 1,905,000 stock options with an exercise price of \$2.14 and expiry date of November 14, 2028 to directors, officers, employees, and consultants. Of the stock options granted, 1,507,500 vest immediately, 132,500 vest on May 14, 2024, 132,500 vest on November 14, 2024, and 132,500 vest on May 14, 2025.