Compass Gold Corporation

Annual Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

dmcl.ca

Independent Auditor's Report

To the Shareholders of Compass Gold Corporation

Opinion

We have audited the consolidated financial statements of Compass Gold Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Heather McGhie.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 30, 2025

Compass Gold Corporation
Consolidated statements of financial position
(Expressed in Canadian dollars)

	Note	December 31 2024	December 31 2023
Assets			
Current assets			
Cash		$ 255,977	$ 125,901
Receivables	4	40,696	37,747
Prepaids		6,517	50,293
Total Current Assets		**303,190**	**213,941**
Non-current assets			
Exploration and evaluation assets	5,11	22,863,368	22,110,285
Equipment	6	14,789	30,566
Non-Current Assets		**22,878,157**	**22,140,851**
Total Assets		**$ 23,181,347**	**$ 22,354,792**
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7,11	$ 1,192,884	$ 533,126
Total Current Liabilities		**1,192,884**	**533,126**
Convertible debenture	8	1,464,130	581,692
Total Liabilities		**2,657,014**	**1,114,818**
Shareholders' Equity			
Share capital	9	38,396,313	38,396,313
Share-based payment reserve	10	2,563,819	3,171,774
Contributed surplus		90,223	66,892
Deficit		(20,526,022)	(20,395,005)
Total Shareholders' Equity		**20,524,333**	**21,239,974**
Total Liabilities and Shareholders' Equity		**$ 23,181,347**	**$ 22,354,792**

Nature and continuance of operations	**1**
Commitments related to project spending	**5**
Subsequent Events	**15**

ON BEHALF OF THE BOARD

/s/ Larry Phillips

Larry Phillips, Chief Executive Officer

/s/ Lou Nagy

Lou Nagy, Chief Financial Officer

Compass Gold Corporation
Consolidated statements of comprehensive loss
(Expressed in Canadian dollars)

	Years ended	
	December 31 2024	**December 31 2023**
Expenses		
Management fees (*Note 11*)	**$ 398,713**	$438,147
Consulting fees	**-**	10,000
Listing and registration fees	**26,707**	26,116
Insurance	**34,555**	26,631
General office expenses	**13,673**	13,781
Professional fees	**98,838**	66,670
Interest and bank charges	**2,669**	2,400
Interest from convertible debenture *(Note 8)*	**79,855**	32,500
Accretion from convertible debenture *(Note 8)*	**81,969**	27,480
Share based payments (*Note 10 & 11*)	**-**	32,168
Foreign exchange (gain)loss	**21,852**	8,434
Total Expenses	**758,831**	684,327
Net and comprehensive loss	**$(758,831)**	$(684,327)
Loss per share – Basic and diluted *(Note 9)*	**$(0.01)**	$(0.01)
Weighted average number of shares outstanding -Basic and diluted *(Note 9)*	**103,970,446**	103,888,028

See accompanying notes to the consolidated financial statements.

Compass Gold Corporation
Consolidated statements of changes in shareholders' equity
(Expressed in Canadian dollars)

	Note	Share Capital						
		Number of shares	Amount	Obligation to issue shares	Contributed Surplus	Share-based payment reserve	Deficit	Total Equity
Balance at December 31, 2022		93,970,446	$ 37,711,690	$ 195,240	$ -	$ 3,154,286	$ (19,762,809)	$ 21,298,407
Shares issued pursuant to private placement	9(a)	10,000,000	700,000	(195,240)	-	-	-	504,760
Equity component of convertible debenture	8	-	-		66,892	37,451	-	104,343
Expired broker warrants		-	-	-	-	(52,131)	52,131	-
Share issue costs	9(a)	-	(15,377)	-	-	-	-	(15,377)
Share-based payments	10	-	-	-	-	32,168	-	32,168
Net and comprehensive loss for the year		-	-	-	-	-	(684,327)	(684,327)
Balance at December 31, 2023		103,970,446	38,396,313	-	66,892	3,171,774	(20,395,005)	21,239,974
Equity component of convertible debenture	8	-	-		23,331	19,859	-	43,190
Expired options	10	-	-	-	-	(627,814)	627,814	-
Net and comprehensive loss for the year		-	-	-	-	-	(758,831)	(758,831)
Balance at December 31, 2024		103,970,446	$ 38,396,313	$ -	$ 90,223	$ 2,563,819	$ (20,526,022)	$ 20,524,333

See accompanying notes to the consolidated financial statements.

Compass Gold Corporation
Consolidated statement of cash flows
(Expressed in Canadian dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
Cash flows used in operating activities		
Net loss for the year	$ (758,831)	$ (684,327)
Adjustments for items not affecting cash:		
Share-based payments	-	32,168
Accretion expense	81,969	27,480
Interest accrual	79,855	32,500
Changes in non-cash working capital items:		
Receivables	(2,949)	23,871
Prepaids	43,776	25,289
Trade payable and accrued liabilities	448,387	236,152
Cash flows used in operating activities	(107,793)	(306,867)
Cash flows from investing activities		
Acquisition of equipment	-	(1,895)
Exploration and evaluation expenditures	(525,934)	(964,516)
Cash flows used in investing activities	(525,934)	(966,411)
Cash flows from financing activities		
Net proceeds from private placements	-	434,623
Proceeds from convertible debenture	763,803	626,055
Cash flows from financing activities	763,803	1,060,678
Net change in cash	130,076	(212,600)
Cash, beginning of the year	125,901	338,501
Cash, end of the year	$ 255,977	$ 125,901

Non-Cash investing and financing activities		
Exploration and evaluation expenditures included in accounts payable	$ 465,293	$ 253,921
Shares issued for settlement of accounts payable	$ -	$ 54,760
Warrants issued in relation to convertible debentures issuance	$ 19,859	$ 37,451

See accompanying notes to the consolidated financial statements .

1. Nature and continuance of operations

Compass Gold Corporation (the "Company") was incorporated on July 1, 2002, under the laws of Alberta and subsequently continued into Ontario, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "CVB.V". The registered office of the Company is located at 365 Bay Street, Toronto, Ontario, Canada, M5H 2S8.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has incurred cumulative net losses of $20,526,022 as at December 31, 2024. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and, upon successful results from its exploration activities, to be able to attain profitable operations. There is no guarantee that the Company will be able to complete any of the above objectives. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with available cash on hand and, if required, through the private placement of common shares. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Material accounting policy information and basis of preparation

Statement of Compliance with International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 30, 2025.

Basis of preparation

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The accounting policies have been applied consistently to all years presented in these consolidated financial statements.

Comparative information

Certain amounts of the prior year have been reclassified to conform with the presentation of the current year consolidated financial statements.

2. Material accounting policy information and basis of preparation (cont'd)

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of the controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	December 31 2024	December 31 2023
Compass Gold Exploration	Canada	100%	100%
Exploration Azteca S.A De.C.V	Mexico	100%	100%
Mali Gold Exploration PTY LTD	Australia	100%	100%
SERM S.A.	Republic of Mali	100%	100%
REM S.A.	Republic of Mali	100%	100%
ML Commodities Mali S.A.	Republic of Mali	100%	100%
Mali Gold Exploration SARL	Republic of Mali	100%	100%
Compass Gold Mining SARL	Republic of Mali	100%	100%

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of the Company's annual consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

Areas requiring a significant degree of estimation relate to fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recoverability of its exploration and evaluation assets and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Significant judgments

The preparation of the consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applied in the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments;
- whether there are indicators of impairment of the Company's exploration and evaluation assets; and,
- the determination of the functional currency of the Company and its subsidiaries.

Financial Instruments ("IFRS 9")

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"); at fair value through other comprehensive income (loss) ("FVTOCI"); or, at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

2. Material accounting policy information and basis of preparation (cont'd)

Financial Instruments ("IFRS 9") (cont'd)

Classification (cont'd)

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments:

Financial Instrument	Classification
Cash	FVTPL
Receivables	Amortized Cost
Trades payables	Amortized Cost

Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Derecognition
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expire. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss.

2. Material accounting policy information and basis of preparation (cont'd)

Financial Instruments ("IFRS 9") (cont'd)

Foreign currency translation

The functional currency of the Company and its subsidiaries, being the primary economic environment in which that entity operates, is Canadian Dollars. The consolidated financial statements are presented in Canadian dollars.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the consolidated statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the consolidated statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

The consolidated financial statements of each of the Company's subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary is translated from the local currency to the subsidiary's functional currency.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area, and (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

2. Material accounting policy information and basis of preparation (cont'd)

Equipment

Equipment is recorded at cost and depreciated over its estimated useful life at the following rates per annum:

Machinery	- 3 years straight line
Furniture and Equipment	- 2 to 5 years straight line

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Impairment of assets

The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

2. Material accounting policy information and basis of preparation (cont'd)

Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share capital
Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in reserve is transferred to share capital.

Loss per share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

3. Adoption and future changes in accounting standards

Certain pronouncements were issued by the IASB that are mandatory for accounting years on or after January 1, 2024 or later years. Many are not applicable or do not have significant impact on the Company and have been excluded. During the year ended December 31, 2024, the Company adopted a number of amendments, including IAS 1 *Non-current Liabilities with Covenants*, and determined that they do not have a material impact on the Company in the current reporting period.

In addition, the following standards have been issued by IASB and the Company is currently assessing the impact on the consolidated financial statements. These have not been adopted for the current period.

- *Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 and IFRS 7)* with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2026.
- *IFRS 18 Presentation and Disclosure in Financial Statements* with mandatory application of the standard in the annual reporting periods beginning on or after January 1, 2027.

4. Receivables

	December 31 2024	December 31 2023
Taxes recoverable	$ 13,696	$ 10,747
Subscription receivable	27,000	27,000
	$ 40,696	**$ 37,747**

5. Exploration and evaluation assets

	December 31 2024	December 31 2023
Acquisition of Sikasso Property	$ 6,172,837	$ 6,172,837
Exploration expenditure incurred and capitalized (Notes 6 and 11)	18,923,531	18,170,448
Less write down of exploration expenditure	(2,233,000)	(2,233,000)
	$ 22,863,368	**$ 22,110,285**

The exploration and evaluation assets comprise the Faraba-Koura, Ouassada, Sankarani, Kourou, Lontola, Badogo, Tiélouléna, Sankarani Est, Moribala, Koroféréla, N'Tjila and Kouma gold exploration permits, collectively referred to as the Sikasso Property. All permits are for properties located in Mali.

The permits were all granted to subsidiaries of the Company or held in trust by third parties under binding memorandum of understanding ("MOU") for permit purchase. The permits held in trust under the binding MOU require additional payments in an aggregate of $301,012. The permits are effective for three years, and the Company may renew the permits twice for additional three and nine years. In order to maintain these permits in good standing, the Company is required to incur minimum exploration expenditures on each of the permits.

5. Exploration and evaluation assets (cont'd)

During the ended December 31, 2021, the Company renewed the permits held to extend the life of the licenses in order to continue mineral exploration. As a result of this process, the permits have been renewed from their initial expiry date in fiscal 2021 to 2024 and 2025. The renewals indicate minimum amounts to be incurred on exploration and evaluation work on the properties to be distributed over the duration of the permits as follows:

First year	$1,840,674
Second year	$2,910,536
Third year	$3,789,866

On November 28, 2022, Mali's interim government suspended the issuance of mining permits. In August 2023, Mali's interim government introduced a new mining code, but has continued the moratorium to issue and renew permits. By suspending the issuance of mining permits on November 28, 2022, the validity of the existing permits is effectively extended until the process resumes.

In May 2012, Mali Gold Exploration PTY Ltd. ("MGE") granted certain shareholders who are now directors of the Company, a joint 2% Net Smelter Royalty over the Ouassada, Kalé, Sankarani, Kourou and Tiélouléna permits.

6. Equipment

Equipment consists of the following:

Cost	Machinery	Equipment	Total
Balance, December 31, 2022	**$ 238,637**	**$ 74,336**	**$ 312,973**
Additions	-	1,895	1,895
Balance, December 31, 2023	**$ 238,637**	**$ 76,231**	**$ 314,868**
Additions	-	-	-
Balance, December 31, 2024	**$ 238,637**	**$ 76,231**	**$ 314,868**

Accumulated Depreciation	Machinery	Equipment	Total
Balance, December 31, 2022	**$ 213,687**	**$ 58,140**	**$ 271,827**
Depreciation	-	12,475	12,475
Balance, December 31,2023	**$ 213,687**	**$ 70,615**	**$ 284,302**
Depreciation	10,161	5,616	15,777
Balance, December 31, 2024	**$223,848**	**$ 76,231**	**$ 300,079**

Net Book Value	Machinery	Equipment	Total
December 31, 2023	**$ 24,950**	**$ 5,616**	**$ 30,566**
December 31, 2024	**$ 14,789**	**$ -**	**$ 14,789**

Depreciation is included with exploration expenditure incurred and capitalized (Note 5).

7. Trade payable and accrued liabilities

	December 31 2024	December 31 2023
Trade payables and accruals	$ 195,066	$ 74,287
Due to related parties (Note 11)	853,772	347,277
Taxes payable	144,046	111,562
	$ 1,192,884	**$ 533,126**

8. Convertible Debenture

	December 31 2024	December 31 2023
Convertible Debenture A - June 30, 2023 and 2024	$ 887,282	$ 581,692
Convertible Debenture B - December 2, 2024	576,848	-
	$ 1,464,130	**$ 581,692**

Face value of debentures	$ 650,000
Discount on face value of debentures	(108,333)
Transaction costs allocated to debentures	(19,955)
Interest	32,500
Accretion	27,480
December 31, 2023	**581,692**
Face value of debentures	785,000
Discount on face value of debentures	(43,191)
Transaction costs allocated to debentures	(21,695)
Interest	79,855
Accretion	81,969
December 31, 2024	**$ 1,464,130**

<u>Convertible Debenture A – Closing dates June 30, 2023 and June 30, 2024</u>

On June 30, 2023, the Company completed convertible debenture issuance for gross proceeds of $650,000 accompanied by the issuance of 3,250,00 common share purchase warrants. The terms of the convertible debentures allow for a conversion at $0.08 per share at the option of the holder in the first year and for a conversion at $0.10 in the second year, with an annual interest rate of 10% and for a term of 24 months from the date of closing. Each common share purchase warrant is exercisable by the holder to acquire one common share at price of $0.10 for 24 months (Note 9).

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component (the "Debenture Liability") of $541,667 was computed as the present value of future principal and interest payments discounted at a rate of 20% per annum. The residual value of $108,333 was proportionately allocated between the 3,250,000 warrants issued and the option to convert the debentures into common shares (the "Conversion Feature") at their exercise prices and expected lives. The transaction costs totalling $23,945 were then allocated proportionally to each component with the Debenture Liability being allocated $19,955 and the remaining $3,990 allocated equally between the warrants and the Conversion Feature.

On June 30, 2024, the Company completed a second tranche of the convertible debenture issuance for gross proceeds of $175,000 accompanied by the issuance of 875,000 common share purchase warrants. The terms of the convertible debentures allow for a conversion at $0.10 per share at the option of the holder, with an annual interest rate of 10% and for a term of 12 months from the date of closing. Each common share purchase warrant is exercisable by the holder to acquire one common share at price of $0.10 for 12 months (Note 9). The terms of this debenture are the same terms as year two of the initial debenture with all maturities for the debenture and warrant having a date of June 30, 2025.

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the Debenture Liability of $160,416 was computed as the present value of future principal and interest payments discounted at a rate of 20% per annum. The residual value of $14,583 was proportionately allocated between the 875,000 warrants issued and the option to convert the debentures into common shares (the "Conversion Feature") at their exercise prices and expected lives.

8. Convertible debenture (cont'd)

Convertible Debenture B – Closing dates December 2, 2024

On December 2, 2024, the Company completed a third tranche of the convertible debenture issuance for gross proceeds of $610,500 accompanied by the issuance of 3,052,500 common share purchase warrants. The terms of the convertible debentures allow for a conversion at $0.18 per share at the option of the holder, with an interest rate of 10% and mature on June 30, 2025, the same date as the other debentures. Each common share purchase warrant is exercisable by the holder to acquire one common share at price of $0.18 and expire December 2, 2025 (Note 9).

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the Debenture Liability of $580,838 was computed as the present value of future principal and interest payments discounted at a rate of 20% per annum. The residual value of $28,608 was proportionately allocated between the 3,052,500 warrants issued and the option to convert the debentures into common shares (the "Conversion Feature") at their exercise prices and expected lives. Transaction costs totalling $21,676 were then allocated proportionally to each component with the Debenture Liability being allocated $20,642 and remaining $1,054 allocated equally between the warrants and Conversion Feature.

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2024 there were 103,970,446 issued and fully paid common shares (December 31, 2023 – 103,970,446).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2024 was based on the loss attributable to common shareholders of $758,831 (2023 - $684,327) and the weighted average number of common shares outstanding of 103,970,446 (2023 – 103,888,028). Fully diluted loss per share did not include the effect of stock options and warrants outstanding as the effect would be anti-dilutive.

(a) ***Private placement January 4, 2023***

On January 4, 2023, the Company issued a total of 10,000,000 common shares of the Company, at a price of $0.07 per share, for aggregate gross proceeds of $700,000. A portion of the gross proceeds, $195,240 were received prior to December 31, 2022 and reported as obligation to issue shares. Included in the private placement, there were 782,286 units issued with a fair value of $54,760 to settle accounts payable.

As part of the private placement, share issuance costs of $15,377 were for this private placement.

Directors and officers of the Company purchased an aggregate of 2,782,285 common shares for aggregate consideration of $194,760.

Warrants

The changes in warrants during the year ended December 31, 2024 and December 31, 2023 are as follows:

	December 31, 2024		December 31, 2023	
	Number of warrants	Weighted average exercise price ($)	Number of warrants	Weighted average exercise price ($)
Warrants outstanding, beginning	10,548,668	0.24	7,298,668	0.30
Warrants issued (Note 8)	3,927,500	0.16	3,250,000	0.10
Warrants outstanding, ending	14,476,168	0.22	10,548,668	0.24

Details of warrants outstanding as at December 31, 2024 are as follows:

Expiry Date	Weighted average exercise price ($)	Warrants Outstanding	Weighted average Contractual Life (Years)
June 2, 2025	0.30	7,298,668	0.42
June 30, 2025	0.10	3,250,000	0.50
June 30, 2025	0.10	875,000	0.50
December 2, 2025	0.18	3,052,500	0.92
	0.22	14,476,168	0.55

10. Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based payments expense until such time that the stock options or broker warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

Stock options

The Company has a stock option plan (the "Plan"), under which the Company may grant options to directors, officers, employees, and third-party service providers. Under the terms of the Plan, which was re-approved by the shareholders on July 23, 2024, the Company is authorized to issue a maximum of 10% of the issued and outstanding shares.

The purpose of the Plan is to attract, retain and motivate directors, officers, and certain third-party service providers by providing them with the opportunity to acquire a proprietary interest in the Company and benefit from its growth. The options granted under the Plan are non-assignable, have a term of up to 10 years and vest over years of up to two years from the date of issue.

The changes in options during the year ended December 31, 2024 and December 31, 2023 are as follows:

	December 31, 2024		December 31, 2023	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Options outstanding, beginning	3,226,000	0.34	3,226,000	0.34
Options expired	(1,710,000)	0.41	-	-
Options outstanding, ending	1,516,000	0.25	3,226,000	0.34

Details of options outstanding as at December 31, 2024 are as follows:

Expiry Date	Weighted average exercise price ($)	Options Outstanding	Options Exercisable	Weighted average Contractual Life (Years)
January 31, 2025	0.325	75,000	75,000	0.08
January 5, 2026	0.25	1,126,000	1,126,000	1.01
January 8, 2026	0.25	315,000	315,000	1.02
	0.25	1,516,000	1,516,000	0.97

During the year ended December 31, 2024, the Company granted no new stock options (2023 – NIL) and recognized a total share-based payment expenses of $Nil (2023- $32,168) from the vesting of options granted in prior years.

11. Related party transactions

The Company considers its officers (CEO and CFO) and directors to be key management. Key management are those persons having authority and responsibility for planning, directing, and controlling activities, directly or indirectly, of the Company.

Related party balances

The following amounts due to related parties:

	December 31 2024	December 31 2023
Directors and officers of the Company – due to related parties (Note 7)	$ 853,772	$ 347,277
	$ 853,772	$ 347,277

These amounts are unsecured, non-interest bearing and are payable on demand.

Related party transactions

The Company incurred the following transactions with directors and companies that are controlled by directors of the Company.

	Year ended December 31, 2024	Year ended December 31, 2023
Management, officers and director fees	$ 348,000	$ 388,000
Share-based payments (Note 10)	-	27,997
Management fees in exploration and evaluation asset (Note 5)	146,698	144,510
Total	$ 494,698	$ 560,507

12. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's exploration and evaluation assets are based solely in Mali.

13. Financial instruments and capital management

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

13. Financial instruments and capital management (cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in its bank account. The majority of cash is held in an account with a major bank in Canada. As the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company has secondary exposure to credit risk on its receivables. The taxes recoverable consists of refundable harmonized sales tax from the government. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

All of the Company's financial liabilities as at December 31, 2024 are due within one year of the financial year end date.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's subsidiaries located in Mali are exposed to currency risk as it incurs expenditures that are denominated in the West African CFA Franc ("CFA"), which is the currency of Mali, while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in CFA:

	December 31 2024	December 31 2023
Cash	$ 31,453	$ 4,506
Trade payables	(2,761)	(3,527)
Net exposure	$ 28,692	$ 979

Based on the above net exposures, as at December 31, 2024, a 10% change in the CFA franc exchange rate would impact the Company's net income by $2,869 (December 31, 2022 – $98).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At December 31, 2024, The Company has cash earning interest at a low variable interest rate and debentures bearing interest at 10% per annum. Interest rate risk is assessed as low.

13. Financial instruments and capital management (cont'd)

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	December 31 2024	December 31 2023
Financial assets at FVTPL:		
Cash	$ 255,977	$ 125,901
Financial assets at amortized cost:		
Receivables	$ 27,000	$ 27,000

Financial liabilities included in the consolidated statement of financial position are as follows. All of the financial liabilities are reflected at amortized costs:

	December 31 2024	December 31 2023
Financial liabilities at amortized cost:		
Trade payables and due to related parties	$ 984,638	$ 373,864

Fair value

The carrying amounts for cash, receivables, trade payables and amounts due to related parties, approximate fair value due to their short-term nature.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is measured using Level 1 inputs.

There were no transfers between levels during the years ended December 31, 2024.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share and working capital.

There were no changes in the Company's approach to capital management during the year and the Company is not subject to any externally imposed capital requirements.

14. Income taxes and deferred tax assets and liabilities

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Net loss	$ (758,831)	$ (684,327)
Statutory tax rate	27-30%	27-30%
Expected income tax recovery at the statutory tax rate	(204,884)	(184,768)
Non-deductible items and other	18,720	12,175
Temporary differences not recognized	186,164	172,593
Income tax recovery	$ -	$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized on the basis that it is uncertain that these deductible temporary differences will be utilized:

	December 31, 2024	December 31, 2023
Non-capital loss carry-forwards	$ 3,210,609	$ 3,005,460
Unrealized capital losses	739,903	739,903
Exploration and evaluation assets	689,172	689,172
Share issuance costs and other	12,107	31,092
	$ 4,651,791	$ 4,465,627

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Canadian net unrealized capital losses	Canadian resource pools	Canadian Share issue costs	Mali resource pools
2025	$ -	$ -	$ -	$ 33,880	$ -
2026	-	-	-	7,858	-
2027	-	-	-	3,076	-
2029	134,731	-	-	-	-
2030	314,117	-	-	-	-
2031	2,023,461	-	-	-	-
2032	1,320,172	-	-	-	-
2033	706,098	-	-	-	-
2034	211,723	-	-	-	-
2035	150,180	-	-	-	-
2036	101,273	-	-	-	-
2037	801,029	-	-	-	-
2038	813,237	-	-	-	-
2039	995,912	-	-	-	-
2040	960,790	-	-	-	-
2041	990,855	-	-	-	-
2042	813,428	-	-	-	-
2043	746,846				
2044	807,294				
No expiry	-	2,740,383	71,403	-	2,233,000
	$ 11,891,146	$ 2,740,383	$ 71,403	$ 44,814	$ 2,233,000

15. Subsequent events

(a) Exercise of Warrants

After year end, certain warrant holders exercised 3,935,000 share purchase warrants to acquire 3,935,000 common shares issue for gross proceeds of $410,300.

(b) Grant of Options

Subsequent to year end, the Company granted 4,180,000 options to officers, employees and consultants of the Company. Each option is exercisable into one common share of the Company at an exercise price of $0.19 per Common Share and having a term of five years.