
KOBO RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
PERIODS ENDED MARCH 31, 2025 AND
MARCH 31, 2024
(EXPRESSED IN CANADIAN DOLLARS)

To the Shareholders of KOBO Resources Inc. :

Opinion

We have audited the consolidated financial statements of KOBO Resources Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and March 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the year ended March 31, 2025 and the fifteen-month period ended March 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2025 and March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year ended March 31, 2025 and the fifteen-month period ended March 31, 2024 in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended March 31, 2025 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits 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 on this other information, 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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 Anand Beejan.

Montreal, Québec
June 17, 2025

MNP LLP¹

¹ CPA auditor, public accountancy permit no. A126822

KOBO Resources Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at March 31, 2025	As at March 31, 2024
ASSETS		
Current assets		
Cash	\$ 99,232	\$ 130,659
Term deposit	2,101,352	559,674
Commodity taxes receivable	267,094	326,406
Prepaid and other assets	173,488	40,051
Total current assets	2,641,166	1,056,790
Non-current assets		
Security deposits	9,581	9,581
Investment in joint venture (note 4)	19,007	-
Property, plant and equipment (note 5)	374,294	121,693
Mining assets (note 6)	2,237	2,237
Total non-current assets	405,119	133,511
Total assets	\$ 3,046,285	\$ 1,190,301
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade payables and other payables (note 14)	\$ 702,447	\$ 353,666
Total liabilities	702,447	353,666
Shareholders' equity		
Share capital (note 9)	20,704,533	12,576,125
Stock options (note 10)	1,089,458	1,169,359
Warrants (note 11)	94,669	-
Broker warrants (note 12)	118,300	101,000
Accumulated other comprehensive (loss) income	(456,968)	15
Deficit	(19,206,154)	(13,009,864)
Total shareholders' equity	2,343,838	836,635
Total liabilities and shareholders' equity	\$ 3,046,285	\$ 1,190,301

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Nature of operations, reverse takeover acquisition and going concern (note 1)

Approved on behalf of the Board:

"Edward Gosselin", Director

"Paul Sarjeant", Director

KOBO Resources Inc.**Consolidated Statements of Loss and Comprehensive Loss**
(Expressed in Canadian dollars)

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Operating expenses		
Depreciation of property, plant and equipment (note 5)	\$ 69,121	\$ 32,846
Exploration expenses (note 14)	4,276,975	2,444,277
Investor relations	303,701	245,660
Management and consulting fees (note 14)	325,111	420,557
Office and travelling expenses	203,435	139,630
Professional fees (note 14)	300,142	406,379
Share-based compensation (notes 10 and 14)	183,099	522,048
Sundry taxes	10,168	23,468
Transaction costs (note 1)	-	299,412
Total operating expenses	(5,671,752)	(4,534,277)
Other (expenses) income		
Listing costs expensed (note 1)	-	(352,515)
Bank charges	(15,644)	(10,259)
Foreign exchange loss	(11,994)	(1,670)
Write-off of CEBA grant (note 7)	-	20,000
Other income	103,241	71,416
Net loss for the period	\$ (5,596,149)	\$ (4,807,305)
Other comprehensive (loss) income		
Items that will be reclassified subsequently to loss		
Exchange difference on translating foreign operations	\$ (456,983)	\$ 15
Other comprehensive (loss) income for the period	(456,983)	15
Total comprehensive loss for the period	\$ (6,053,132)	\$ (4,807,290)
Basic and diluted net loss per share (note 13)	\$ (0.06)	\$ (0.06)
Weighted average number of common shares outstanding (note 13)	98,202,607	75,075,453

The accompanying notes to the consolidated financial statements are an integral part of these statements.

KOBO Resources Inc.

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of shares	Share capital	Stock options	Warrants	Broker warrants	Accumulated other comprehensive income (loss)	Accumulated deficit	Total
Balance, December 31, 2022	56,809,749	\$ 6,271,465	\$ 647,311	\$ -	\$ -	\$ -	\$ (7,650,435)	\$ (731,659)
Shares deemed to be issued on reverse takeover (note 9)	1,413,000	353,250	-	-	-	-	-	353,250
Shares issued related to concurrent financing (note 9)	18,705,600	4,676,400	-	-	-	-	-	4,676,400
Share issue costs related to concurrent financing	-	-	-	-	-	-	(451,124)	(451,124)
Broker warrants granted (note 9)	-	-	-	-	101,000	-	(101,000)	-
Exercise of warrants (note 9)	4,250,034	1,275,010	-	-	-	-	-	1,275,010
Share-based compensation (note 10)	-	-	522,048	-	-	-	-	522,048
Net loss and comprehensive loss for the period	-	-	-	-	-	15	(4,807,305)	(4,807,290)
Balance, March 31, 2024	81,178,383	12,576,125	1,169,359	-	\$ 101,000	15	(13,009,864)	836,635
Private placement (note 9)	21,181,067	7,413,373	-	-	-	-	-	7,413,373
Warrants granted (note 9)	-	(94,669)	-	94,669	-	-	-	-
Broker warrants granted (note 9)	-	-	-	-	118,300	-	(118,300)	-
Share issue costs related to private placement	-	-	-	-	-	-	(483,501)	(483,501)
Exercise of stock options (note 9)	1,500,000	533,000	(263,000)	-	-	-	-	270,000
Exercise of broker warrants (note 9)	709,456	276,704	-	-	(99,340)	-	-	177,364
Broker warrants expired	-	-	-	-	(1,660)	-	1,660	-
Share-based compensation (note 10)	-	-	183,099	-	-	-	-	183,099
Net loss and comprehensive loss for the period	-	-	-	-	-	(456,983)	(5,596,149)	(6,053,132)
Balance, March 31, 2025	104,568,906	\$ 20,704,533	\$ 1,089,458	\$ 94,669	\$ 118,300	\$ (456,968)	\$ (19,206,154)	\$ 2,343,838

The accompanying notes to the consolidated financial statements are an integral part of these statements.

KOBO Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Operating activities		
Net loss for the period	\$ (5,596,149)	\$ (4,807,305)
Adjustments for:		
Share-based compensation	183,099	522,048
Depreciation of property, plant and equipment	69,121	32,846
Listing costs expensed	-	352,515
Accrued interest	(1,352)	(379)
Write-off of long-term debt	-	(20,000)
Changes in non-cash working capital items:		
Commodity taxes receivable	59,312	(303,391)
Prepaid and other assets	(133,437)	(40,051)
Trade payables and other payables	348,781	(667,445)
Net cash used in operating activities	(5,070,625)	(4,931,162)
Investing activities		
Purchase of a term deposit	(5,622,951)	(3,500,000)
Proceeds from sale of a term deposit	4,082,625	2,940,705
Increase in security deposits	-	(4,474)
Purchase of property, plant and equipment	(300,043)	(137,559)
Investment in associate	(19,007)	-
Cash acquired from reverse takeover (note 1)	-	42,564
Net cash used in investing activities	(1,859,376)	(658,764)
Financing activities		
Issuance of shares	7,413,373	4,676,400
Exercise of stock options	270,000	-
Exercise of broker warrants	177,364	-
Exercise of warrants	-	1,275,010
Share issue costs	(483,501)	(451,124)
Repayment of long-term debt	-	(40,000)
Net cash provided by financing activities	7,377,236	5,460,286
Effect of change in foreign exchange	(478,662)	15
Net change in cash	(31,427)	(129,625)
Cash, beginning of period	130,659	260,284
Cash, end of period	\$ 99,232	\$ 130,659

The accompanying notes to the consolidated financial statements are an integral part of these statements.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

1. Nature of operations, reverse takeover acquisition and going concern

Nature of operations

KOBO Resources Inc. ("KOBO" or the "Corporation") is a junior Canadian exploration and mining development corporation incorporated under the Business Corporations Act on April 27, 2018, initially under the name of Meteorite Capital Inc. ("Meteorite"). The Corporation is focused on acquiring and exploring mineral gold property assets located in West Africa and more particularly in Côte d'Ivoire.

KOBO, through its wholly owned subsidiaries BOKO Resources Inc. ("Boko") and KOBO Ressources Côte d'Ivoire ("KOBO C.I.") obtained in 2019 two (2) research permits (note 4) and is in the process of obtaining three (3) additional pending research permits.

On December 1, 2023, KOBO Resources Inc. merged with its subsidiary BOKO Resources Inc. in order to simplify its reporting obligations and reduce general and administrative costs.

The head office is 388, Grande-Allée East, Suite 101, Québec (Québec), Canada G1R 2J4.

Effective in 2023, the Corporation changed its financial year-end from December 31 to March 31 to align the Corporation's year-end with that of its subsidiary company and to facilitate financial reporting and the preparation of corporate tax returns. The change in year-end resulted in the Corporation's filing a one-time, fifteen-month transition year covering the period of January 1, 2023 to March 31, 2024. The information presented in these consolidated financial statements is for the twelve months ended March 31, 2025, compared to the fifteen months ended March 31, 2024.

Reverse takeover acquisition

On March 29, 2023, KOBO completed its previously announced business combination (the "Transaction") with Boko involving an amalgamation of Boko (formerly Kobo Resources Inc.) and 9454-2123 Québec Inc. ("Meteorite Subco"). The business combination resulted in, among other things, (i) the reverse takeover ("RTO") of Meteorite by the former securityholders of KOBO, (ii) Meteorite changing its name to "Kobo Resources Inc." (the "Resulting Issuer"), (iii) Boko becoming a wholly-owned subsidiary of the resulting Issuer, and (iv) the listing of the Resulting Issuer's common shares (the Resulting Issuer Common Shares) on the TSX Venture Exchange (the "TSX-V"). The Resulting Issuer Common Shares began trading at the opening of the market on March 31, 2023 under the symbol "KRI".

The Transaction constituted a reverse takeover of the Corporation but did not meet the definition of a business combination under IFRS 3, Business Combinations. Accordingly, the reverse takeover transaction was accounted for in accordance with IFRS 2, Share-Based Payment and IAS 32, Financial Instruments: Presentation. The Transaction is considered to be a reverse takeover of Meteorite by Boko. A reverse takeover transaction involving a non-public operating entity and a non-operating company is in substance a share-based payment transaction, rather than a business combination. The fair value of the shares issued has been determined based on the fair value of the Common Shares issued by Boko on February 24, 2023 as outlined below.

Each Boko Warrant, Boko Option and Boko Broker Warrant have been exchanged for Meteorite Warrant, Meteorite Option and Meteorite Broker Warrant, now referred as Kobo Warrant, Kobo Option and Kobo Broker Warrant.

The fair value of the Corporation's identifiable net assets at the reverse acquisition date was \$735 and the excess was attributed to the value of the public listing, which does not meet the definition of an asset, and is expensed in the consolidated statements of loss and comprehensive loss.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

1. Nature of operations, reverse takeover acquisition and going concern (continued)

Reverse takeover acquisition (continued)

Consideration paid

Fair value of consideration to acquire 1,413,000 Common Shares	\$	353,250
113,040 Options of Meteorite		-
	\$	353,250

Net assets acquired

Cash	\$	42,564
Trade payables and other payables		(41,829)
Listing costs expensed		352,515
Total	\$	353,250

The fair value of the consideration transferred to acquire Meteorite under the RTO is \$353,250 and was determined based on the fair value of the 1,413,000 Common Shares valued at \$0.25 per share and 113,040 Options valued at \$nil.

Going concern

These consolidated financial statements have been prepared using IFRS® Accounting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Corporation incurred a net loss of \$5,596,149 during the year ended March 31, 2025 and, as of that date, the Corporation had accumulated deficit of \$19,206,154. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its obligations and existing commitments for exploration and evaluation programs, for mining development and pay general and administration costs.

As long as the Corporation is not in commercial operation, the continuation of its activities will depend on its ability to raise additional financing through the issuance of equity instruments. There can be no assurance it will be able to do so in the future and that such sources of funding or initiatives will be available to the Corporation or that they will be available on terms acceptable to the Corporation. If management is unable to obtain new funding, there is a material uncertainty that lend a significant doubt about the Corporation's ability to continue as a going concern and amounts realized for assets might be less than amounts reflected in these consolidated financial statements. The Corporation has not yet determined the existence of economically recoverable ore reserves.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies

Basis of presentation

These consolidated financial statements have been prepared by the Corporation's management in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), and were approved by the Board of Directors on June 17, 2025.

Basis of consolidation

The consolidated financial statements include the financial statements of the Corporation and its subsidiaries Boko and Kobo C.I. located in Côte d'Ivoire. The Corporation has 100% ownership in the subsidiary Kobo C.I. All intercompany transactions and balances are eliminated. A subsidiary is an investment controlled by the Corporation. Control exists when the Corporation has the existing rights giving the current ability to direct the activities that significantly affect the entities' returns. The Corporation reassesses control on an ongoing basis.

On December 1, 2023, Kobo Resources Inc. merged with its subsidiary Boko Resources Inc. in order to simplify its reporting obligations and reduce general and administrative costs.

Presentation and functional currency

The Canadian dollar is the presentation currency. The functional currency is the Canadian dollar for the Corporation and the CFA Franc for its subsidiary KOBO C.I..

Foreign currency translation

Foreign currency transactions are translated into the functional currency of each consolidated entity using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Exchange differences resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss whereas the Corporation's net investment in its foreign subsidiary is recognized in other comprehensive loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not re-translated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

KOBO C.I. has the CFA Franc as its functional currency, and its operations have been translated into Canadian dollars for presentation purposes as follows: assets and liabilities have been translated at the closing rate at the reporting date; expenses have been translated at the average rate over the reporting period. Exchange differences are recognized in other comprehensive loss and recognized in the accumulated other comprehensive loss in equity.

Cash

Cash consists of cash on hand, balances with banks and cash in trust.

Financial instruments

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provision of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies (continued)

Financial instruments (continued)

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortized cost are recognized initially at the amount expected to be received or less, when material, a discount to reduce financial assets at amortized cost to fair value. Subsequently, they are measured at amortized cost using the effective interest method less a provision for expected credit loss. Financial assets at amortized cost are included in current assets, except for those with maturities greater than twelve months after the end of the reporting period, which are classified as non-current assets. The Corporation's financial assets at amortized cost include cash and term deposit.

Financial liabilities at amortized cost

Financial liabilities at amortized cost include trade payables and other payables. Financial liabilities are initially recognized at the amount required to be paid or less, when material, a discount to reduce the payables to fair value. Subsequently, they are measured at amortized cost using the effective interest method. They are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Impairment

The Corporation assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Corporation compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Measurement categories

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of loss or in the consolidated statement of comprehensive loss. These categories are financial assets and financial liabilities at amortized cost.

The following table shows the carrying amounts of assets and liabilities for each of these categories:

	As at March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized cost				
Cash	\$ 99,232	\$ 99,232	\$ 130,659	\$ 130,659
Term deposit	2,101,352	2,101,352	559,674	559,674
	\$ 2,200,584	\$ 2,200,584	\$ 690,333	\$ 690,333
Financial liabilities at amortized cost				
Trade payables and other payables	\$ 702,447	\$ 702,447	\$ 353,666	\$ 353,666
	\$ 702,447	\$ 702,447	\$ 353,666	\$ 353,666

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies (continued)

Financial instruments (continued)

Measurement categories (continued)

The fair value of the Corporation's cash, term deposit and trade payables and other payables approximate their carrying value due to the short-term nature. There are no financial instruments measured at fair value.

Fair value hierarchy

The Corporation classifies financial instruments recognised at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7 – Financial Instruments: Disclosures. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

There are no financial instruments measured at fair value. The carrying value of the Corporation's other financial instruments approximates their fair value due to the short period to maturity.

There were no movements between levels during the twelve months ended March 31, 2025 and fifteen months ended March 31, 2024.

Investment in associate

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity but can also arise where the Corporation holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Corporation's share of net assets of the associate, less any impairment losses. Losses in an associate in excess of the Corporation's interest in that associate are recognized only to the extent that the Corporation has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Corporation and an associate are eliminated to the extent of the Corporation's interest therein. Decreases in ownership arising from transactions occurring within the associate are accounted for as deemed disposals with ensuing dilution gains or losses recognized in the consolidated statement of loss and comprehensive loss.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies (continued)

Investment in associate (continued)

At the end of each reporting period, management considers whether there is any evidence of impairment in associates. When there is evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the consolidated statement of loss and comprehensive loss in the period the reversal occurs.

Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method over the useful life of the property, plant and equipment. The land is not depreciated.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed each reporting period, and adjusted prospectively if appropriate.

Mining properties and exploration costs

Mining properties correspond to acquired interests in mining research permits, which include the rights to explore for mine, extract and sell all minerals from such permits. The mining properties will be amortized over the estimated useful life of the mining assets following commencement of production or written off if the mining properties are sold or allowed to lapse. All pre-exploration and exploration costs are expensed as incurred.

Income tax and deferred taxes

The tax expense comprises current and deferred tax. Tax is recognized in the consolidated statement of loss, except if it concerns items recognized directly in equity. In this case, the related tax is also recognized directly in equity.

The Corporation provides for deferred income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities, using enacted or substantively enacted income tax rates that are expected to be in effect for the years in which the assets are expected to be recovered or the liabilities to be settled. A deferred tax asset is only recognized in the event that it is probable that future taxable profits, against which the asset can be utilized, will be available.

Deferred tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares, stock options and warrants are recognized as an increase to deficit, net of any tax effects.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies (continued)

Share-based compensation

Warrants

The Corporation issued units comprised of shares and warrants. The Corporation has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

Broker warrants

The Corporation issued broker warrants to agents in connection with financings. For broker warrants issued, the fair value is measured at the date of grant using the Black-Scholes option pricing model.

Stock options

The Corporation grants stock options to certain directors, agents and consultants of the Corporation or subsidiary of the Corporation. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. For stock options granted to employees, the fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation expense is recognized over the tranche's vesting period, based on the number of awards expected to vest, by increasing stock options. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately. The fair value of expired options are included under stock options balance in the shareholders' equity.

Earnings or loss per share

Basic earnings or loss per share are calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings or loss per share is calculated using the weighted average number of common shares outstanding during the period, plus the effects of dilutive potential common shares outstanding during the period. The treasury stock method is used to determine the dilutive effect of the stock options, warrants and broker warrants.

Under this method, the calculation of diluted earnings per share is made, as if all dilutive potential shares had been issued at the later of the beginning of the period or the date of issuance, as the case may be, and as if the funds obtained thereby had been used to purchase common shares of the Corporation at the average market value of the common shares during the period.

For the periods ended March 31, 2025 and March 31, 2024, diluted loss per share calculation excludes potentially dilutive common shares related to outstanding options, warrants and broker warrants as their effect was anti-dilutive.

Government assistance

As a result of COVID-19, Government of Canada introduced various support programs in response to this global pandemic. Government grant in the form of forgivable loan is recognized when the Corporation is reasonably assured that it will meet the terms for a portion of the loan to be forgiven. Government assistance calculated as the difference between the market interest rate and the rate charged on the government loan is recognized as deferred government grant income and will be charged to the consolidated statement of loss over the expected life of the loan using effective interest rate method.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

2. Material accounting policies (continued)

Provision

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

The Corporation had no provision as at March 31, 2025 and March 31, 2024.

Future applicable accounting standards

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the consolidated financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of 'management-defined performance measures' in a separate note within the consolidated financial statements.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim consolidated financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

3. Critical accounting estimates, assumptions and judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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.

Critical accounting estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS 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 consolidated financial statements and the reported amounts of income and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future.

Fair value of stock options, warrants and broker warrants

The Corporation makes certain estimates and assumptions when calculating the fair value of stock options, warrants and broker warrants. The significant assumptions used include estimates of expected volatility, expected life and expected risk-free rate interest of return. Any change in these estimates or inputs used to determine fair value could result in a significant impact of the Corporation's future operating results, or other equity components.

Commodity taxes receivable

The Corporation estimates it is entitled to receive a refund for commodity taxes for eligible expenses in Côte d'Ivoire. The Corporation accounts for commodity taxes receivable when there is reasonable assurance that the refund will be recovered and that the Corporation will comply with their conditions. The Corporation must file a claim within three (3) years of the payment of the commodity tax. Failure to file within the prescribed delay, the Corporation is not entitled to the reimbursement of the commodity tax paid.

KOBO Resources Inc.

Notes to Consolidated Financial Statements
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(Expressed in Canadian dollars)

4. Investment in associate

Balance, December 31, 2022 and March 31, 2024	\$	-
Investment in joint venture		19,007
Balance, March 31, 2025	\$	19,007

On July 31, 2024, the Corporation, through its subsidiary Kobo CI, acquired 40% of the outstanding shares of Kuniboa Mining Company ("Kuniboa") for cash of \$19,007 (8,000,000 CFA). Kuniboa is a private company that was incorporated under the laws of the Côte d'Ivoire.

As at March 31, 2025, Kuniboa is inactive.

5. Property, plant and equipment

Cost	Vehicles	Office equipment	Exploration equipment	Land	Base camp	Total
Balance, December 31, 2022	\$ 76,564	\$ 7,133	\$ 5,329	\$ 8,000	\$ -	\$ 97,026
Additions	98,924	2,675	35,960	-	-	137,559
Balance, March 31, 2024	175,488	9,808	41,289	8,000	-	234,585
Reclassification	(17,759)	-	-	-	17,759	-
Additions	124,412	-	110,991	-	64,640	300,043
Foreign exchange	14,304	-	8,591	1,028	4,137	28,060
Balance, March 31, 2025	\$ 296,445	\$ 9,808	\$ 160,871	\$ 9,028	\$ 86,536	\$ 562,688

Accumulated depreciation	Vehicles	Office equipment	Exploration equipment	Land	Base camp	Total
Balance, December 31, 2022	\$ 69,695	\$ 6,162	\$ 4,189	\$ -	\$ -	\$ 80,046
Depreciation during the period	28,777	1,453	2,616	-	-	32,846
Balance, March 31, 2024	98,472	7,615	6,805	-	-	112,892
Depreciation during the period	46,622	869	17,938	-	3,692	69,121
Foreign exchange	4,902	-	1,318	-	161	6,381
Balance, March 31, 2025	\$ 149,996	\$ 8,484	\$ 26,061	\$ -	\$ 3,853	\$ 188,394

Carrying value	Vehicles	Office equipment	Exploration equipment	Land	Base camp	Total
Balance, March 31, 2024	\$ 77,016	\$ 2,193	\$ 34,484	\$ 8,000	\$ -	\$ 121,693
Balance, March 31, 2025	\$ 146,449	\$ 1,324	\$ 134,810	\$ 9,028	\$ 82,683	\$ 374,294

6. Mining assets

Research permits	Kossou	Kotobi
Balance as at March 31, 2024 and March 31, 2025	\$ 2,237	\$ -

On April 24, 2019 a research permit (Kotobi license formerly identified as Bongouanou license) was awarded to KOB C.I. and is located within the Birimian Dimbokro-Abengourou Belt, Boaulé-Mossi domain. It is located in the administrative departments of Arrah, Bongouanou and Daoukro covering 301.75 km². The permit was issued for four (4) years and is renewable for two (2) consecutive three (3) years term with an additional possible two (2) years term.

The Corporation must incur a total of 500,000,000 CFA (\$1,100,000) in exploration activities during the four (4) years of the permit. This total amount is expensed over the first three (3) years in the amount of 100,000,000 CFA (\$222,000) annually and 200,000,000 CFA (\$444,000) in the fourth (4th) year, subject to currency exchange rate fluctuations. As at March 31, 2025, the Corporation spent a cumulative amount of 187,309,918 CFA (\$445,016) in exploration activities. On February 27, 2023, the Corporation filed an application form with the Minister of Mines of Côte d'Ivoire for the renewal of the Kotobi permit for an additional three (3) years. The application is currently under review.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

6. Mining assets (continued)

On November 6, 2019 a research permit (Kossou license) was awarded to KOBO C.I. and is located in the department of Kossou, Yamoussoukro and Bouaflé regions, approximately 22 km northwest of the capital city of Yamoussoukro covering 147.36 km². The permit is issued for four (4) years and is renewable for two (2) consecutive three (3) years term with an additional possible two (2) years term.

The Corporation must incur a total of 550,000,000 CFA (\$1,220,000) in exploration activities for the four (4) years of the permit. This total amount is expensed over the first three (3) years in the amount of 110,000,000 CFA (\$244,000) annually and 220,000,000 CFA (\$488,000) in the fourth (4th) year, subject to currency exchange rate fluctuations. As at March 31, 2025, the Corporation spent a cumulative amount of 3,309,621,579 CFA (\$7,863,090) in exploration activities. On August 2, 2023, the Corporation filed an application form with the Minister of Mines of Côte d'Ivoire for the renewal of the Kossou permit for an additional three (3) years. The application was renewed in February 2025. The Corporation must incur a total of 1,200,550,000 CFA (\$2,852,000) in exploration activities for the three (3) years of the permit. This amount is expensed over the three (3) years in the amount of 382,400,000 CFA (\$909,000) in the first (1st) year, 490,600,000 CFA (\$1,166,000) in the second (2nd) year and 327,550,000 CFA (\$778,000) in the third (3rd) year, subject to currency exchange rate fluctuations.

In the case of non-realization of the projected exploration activities in the first two (2) years the Corporation may receive a notification form the Minister of Mines. In such case, a global control of the exploration activities is performed by the Minister of Mines administration at the end of the third (3rd) year.

7. Long-term debt and deferred government grant income

	As at March 31, 2025	As at March 31, 2024
CEBA loan payable, unsecured, interest and repayment terms as noted below	\$ -	\$ 60,000
Write-off of CEBA grant	-	(20,000)
Repayment	-	(40,000)
Net loan	\$ -	\$ -

Canada Emergency Business Account ("CEBA") guaranteed by the Federal Government, interest free and no capital installment until December 31, 2023. The reimbursement of \$40,000 of the loan at the latest December 31, 2023 will provide the Corporation with \$20,000 write-off of the loan.

8. Segmented information

(a) Operating segments

In accordance with IFRS 8 - Operating Segments, it is mandatory for the Corporation to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Corporation conducts its business in a single operating segment being the acquisition and exploration of gold in Côte d'Ivoire. The Corporation's only mining assets are located in Côte d'Ivoire as detailed in note 6. As a result, the Corporation is organized as a single sector.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

8. Segmented information (continued)

(b) Geographic segments

The Corporation's assets by geographic areas are as follows:

As at March 31, 2025	Côte d'Ivoire	Canada Corporate Management	Total
Cash	\$ 71,547	\$ 27,685	\$ 99,232
Term deposit	-	2,101,352	2,101,352
Commodity taxes receivable	177,551	89,543	267,094
Prepaid and other assets	121,131	52,357	173,488
Investment in joint venture	19,007	-	19,007
Property, plant and equipment	372,970	1,324	374,294
Mining assets	2,237	-	2,237
Other assets	9,581	-	9,581
	\$ 774,024	\$ 2,272,261	\$ 3,046,285

As at March 31, 2024	Côte d'Ivoire	Canada Corporate Management	Total
Cash	\$ 65,282	\$ 65,377	\$ 130,659
Term deposit	-	559,674	559,674
Commodity taxes receivable	165,542	160,864	326,406
Prepaid and other assets	10,552	-	10,552
Property, plant and equipment	119,500	2,193	121,693
Mining assets	2,237	-	2,237
Other assets	9,581	29,499	39,080
	\$ 372,694	\$ 817,607	\$ 1,190,301

	Twelve months ended March 31, 2025			Fifteen months ended March 31, 2024		
	Côte d'Ivoire	Canada Corporate Management	Total	Côte d'Ivoire	Canada Corporate Management	Total
Exploration expenses	\$ 4,276,975	\$ -	\$ 4,276,975	\$ 2,030,021	\$ 414,256	\$ 2,444,277
Other income	-	(103,241)	(103,241)	-	(71,416)	(71,416)
Investor relations	-	303,701	303,701	-	245,660	245,660
Listing costs expensed	-	-	-	-	352,515	352,515
Management and consulting fees	-	325,111	325,111	-	420,557	420,557
Other expenses	88,757	221,605	310,362	58,901	128,972	187,873
Professional fees	61,784	238,358	300,142	125,671	280,708	406,379
Share-based compensation	-	183,099	183,099	-	522,048	522,048
Transaction costs	-	-	-	-	299,412	299,412
Net loss	\$ (4,427,516)	\$ (1,168,633)	\$ (5,596,149)	\$ (2,214,593)	\$ (2,592,712)	\$ (4,807,305)

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

9. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of Common Shares, bearing one voting right per share, participating, without par value. All issued Common Shares are fully paid.

b) Common shares issued

As at March 31, 2025, the issued share capital amounted to \$20,704,533. Changes in issued share capital for the periods presented are as follows:

	Twelve Months Ended March 31, 2025		Fifteen Months Ended March 31, 2024	
	Number of common shares	Amount	Number of common shares	Amount
Balance, beginning of period	81,178,383	\$ 12,576,125	56,809,749	\$ 6,271,465
Private placement	21,181,067	7,413,373	-	-
Warrants	-	(94,669)	-	-
Reverse takeover acquisition (note 1)	-	-	1,413,000	353,250
Concurrent financing	-	-	18,705,600	4,676,400
Exercise of stock options	1,500,000	533,000	-	-
Exercise of broker warrants	709,456	276,704	-	-
Exercise of warrants	-	-	4,250,034	1,275,010
Balance, end of period	104,568,906	\$ 20,704,533	81,178,383	\$ 12,576,125

Fifteen months ended March 31, 2024

In connection with the RTO, Boko and Meteorite completed a concurrent financing on February 24, 2023, for aggregate gross proceeds of \$4,676,400, consisting of: (i) the issuance of 13,736,400 Boko Subscription Receipts and (ii) 4,969,200 Meteorite Subscription Receipts at a price of \$0.25 per Subscription Receipt. Each Subscription Receipt is convertible for no additional consideration into one share and one-half of one warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Transaction. As part consideration of their services for the concurrent financing, the agent received a cash consideration of \$246,000 and 721,312 Broker Warrants entitling the holder to purchase 721,312 Broker Units of the Corporation at a price of \$0.25 per unit. Each Broker Unit entitles the holder to purchase one Common Share at a price of \$0.25 per share and one-half of a one Common Share Warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Transaction.

In connection with the RTO, Meteorite completed a share consolidation using an exchange ratio of 0.2 to 1.

Between July 28 and August 29, 2023, the Corporation has received notices to exercise a total of 4,250,034 Common Share Purchase Warrants allowing holders thereof to subscribe to 4,250,034 Common Shares of the Corporation at a price of \$0.30 per share prior to the expiry date of August 31, 2023 resulting in the issuance of a total of 4,250,034 Common Shares for a total consideration of \$1,275,010. The weighted average share price at the date of exercise was \$0.32.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

9. Share capital (continued)

b) Common shares issued (continued)

Twelve months ended March 31, 2025

On June 4, 2024, the Corporation closed its first tranche of a non-brokered private placement of the units for gross proceeds of \$1,485,331. Under the first tranche of the offering, 4,243,804 units were issued at a price of \$0.35 per unit. In addition, the Corporation announced closing of a brokered private placement of 8,378,700 additional units of the Corporation at a price of \$0.35 per additional unit for additional gross proceeds of \$2,932,545. Each unit consists of one common share and one-half of one common shares purchase warrant. Each warrant entitles its holder to acquire one common share at a price of \$0.55 per share until June 4, 2026. Leede Jones Gables Inc. acted as agent in connection with the financing and received a cash commission equal to \$227,953 and 644,960 non-transferable compensation options of the Corporation, exercisable until June 4, 2026, to acquire common shares at an exercise price of \$0.35 per share. Patrick Gagnon, a director of the Corporation, subscribed, directly or indirectly via his company Corporation Gagnon Capital Ltee, to an aggregate of 192,200 units.

On July 2, 2024, the Corporation closed its second tranche of a non-brokered private placement of the units for gross proceeds of \$2,995,497. Under the second tranche of the offering, 8,558,563 units were issued at a price of \$0.35 per unit. Each unit consists of one common share and one-half of one common shares purchase warrant. Each warrant entitles its holder to acquire one common share at a price of \$0.55 per share until June 4, 2026. The Corporation paid finders' fees in an aggregate amount of \$1,540 in connection with the second tranche.

Between March 4 and March 28, 2025, the Corporation has received notices to exercise a total of 709,456 broker warrants allowing holders thereof to subscribe to 709,456 common shares of the Corporation at a price of \$0.25 per share prior to the expiry date of March 29, 2025 resulting in the issuance of a total of 709,456 common shares for a total consideration of \$177,364. The weighted average share price at the date of exercise was \$0.35.

Between December 17, 2024 and February 28, 2025, the Corporation has received notices to exercise a total of 1,500,000 stock options allowing holders thereof to subscribe to 1,500,000 common shares of the Corporation at a price of \$0.15 to \$0.20 per share prior to the expiry date of December 17, 2024 to January 31, 2027 resulting in the issuance of a total of 1,500,000 common shares for a total consideration of \$270,000. The weighted average share price at the date of exercise was \$0.31.

c) Escrow information

As at March 31, 2025, there were 11,459,000 common shares held in escrow (March 31, 2024 - 22,661,250) pursuant to a Qualifying Transaction Escrow Agreement dated March 29, 2023. Release dates are as follows: 10% release on the qualifying transaction date and 15% every six months thereafter.

10. Stock options

In connection with the RTO, the Corporation adopted a new stock option plan. Pursuant to the stock option plan, the Corporation may award options to senior officers, directors, employees, management Corporation employees, consultants and investors relations person of the Corporation or its subsidiaries.

The maximum number of Common Shares of the Corporation issuable under the plan is 9.5% of issued and outstanding shares. The maximum number of Common Shares which may be reserved for issuance to any one optionee within a one-year period, may not exceed 2% of Common Shares issued and outstanding at the date of grant on a non-diluted basis. Upon issuance of the options, the Board of Directors determines the expiry date and exercise price of options. The term cannot exceed ten years from the grant date unless the Board of Directors provides otherwise and the exercise price should not be lower than the discounted market price. Options granted will vest over a period of 12 months, at a rate of 25% in any three-month period.

The stock options granted by the Corporation are payable in equity instruments of the Corporation.

KOBO Resources Inc.

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10. Stock options (continued)

The following table reflects the continuity of stock options:

	Twelve Months Ended March 31, 2025		Fifteen Months Ended March 31, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of period	5,725,000	\$ 0.238	3,150,000	\$ 0.190
Granted	1,550,000	0.350	2,675,000	0.297
Reverse takeover acquisition (note 1)	-	-	113,040	0.750
Expired/Cancelled	-	-	(213,040)	0.539
Exercised	(1,500,000)	0.180	-	-
Outstanding, end of period	5,775,000	\$ 0.284	5,725,000	\$ 0.238
Exercisable, end of period	4,225,000	\$ 0.259	4,906,250	\$ 0.225

For the twelve months ended March 31, 2025 an amount of \$183,099 (fifteen months ended March 31, 2024 - \$522,048) is included as share-based compensation expense.

Fifteen months ended March 31, 2024

On March 1, 2023, the Corporation granted 250,000 options to a consultant at an exercise price of \$0.20 each.

On June 21, 2023, the Corporation granted 2,075,000 options to directors, officers and consultants at an exercise of \$0.30 each.

On February 28, 2024, the Corporation granted 350,000 options to a director and an officer at an exercise of \$0.35 each.

Twelve months ended March 31, 2025

On February 28, 2025, the Corporation granted 1,550,000 stock options to certain directors, officers and employees of the Corporation at an exercise price of \$0.35 each.

The total fair value was estimated on the grant using the Black-Scholes option pricing model with the following average assumptions:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Weighted risk-free interest rate	2.97%	3.69%
Weighted share price at grant-date	\$0.310	\$0.302
Weighted average expected share price volatility (i)	104.25%	104.25%
Weighted average exercise price at grant-date	\$0.350	\$0.297
Weighted average expected dividend yield	-	-
Weighted average expected life	10 years	5 years
Weighted average grant-date fair value	\$0.282	\$0.235

(i) Expected share price volatility was calculated using a blended rate of comparable junior mining exploration corporations.

KOBO Resources Inc.

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10. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of March 31, 2025:

Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
0.200	4.92	250,000	250,000
0.200	2.78	500,000	500,000
0.200	2.76	1,150,000	1,150,000
0.300	8.23	1,975,000	1,975,000
0.350	8.92	350,000	350,000
0.350	9.92	1,550,000	-
		5,775,000	4,225,000

11. Warrants

The following table reflects the continuity of warrants:

	Twelve Months Ended March 31, 2025		Fifteen Months Ended March 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding and exercisable, beginning of period	9,352,800	\$ 0.400	4,250,034	\$ 0.300
Granted under the concurrent financing	-	-	9,352,800	0.400
Granted under the private placement	10,590,534	0.550	-	-
Exercise of warrants	-	-	(4,250,034)	0.300
Warrants expired	(9,352,800)	0.400	-	-
Outstanding and exercisable, end of period	10,590,534	\$ 0.550	9,352,800	\$ 0.400

The following table reflects the actual warrants issued and outstanding as of March 31, 2025:

Number of warrants outstanding	Value allocated on grant (\$)	Exercise price (\$)	Expiry date
10,590,534	94,669	0.550	June 4, 2026
10,590,534	94,669	0.550	

KOBO Resources Inc.

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12. Broker warrants

The following table reflects the continuity of warrants:

	Twelve Months Ended March 31, 2025		Fifteen Months Ended March 31, 2024	
	Number of broker warrants	Weighted average exercise price	Number of broker warrants	Weighted average exercise price
Outstanding and exercisable, beginning of period	721,312	\$ 0.250	-	\$ -
Granted under the private placement (note 9)	644,960	0.350	-	-
Granted under the concurrent financing (i)	-	-	721,312	0.250
Broker warrants exercised	(709,456)	0.250	-	-
Broker warrants expired	(11,856)	0.250	-	-
Outstanding and exercisable, end of period	644,960	\$ 0.350	721,312	\$ 0.250

(i) These Broker Warrants entitle the holders to purchase 721,312 units of the Corporation at a price of \$0.25 per unit. Each Broker Warrant Unit entitles the holder to purchase one Common Share at a price of \$0.25 per share and one-half of a one Common Share Warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Transaction.

The following table reflects the actual broker warrants issued and outstanding as of March 31, 2025:

Number of broker warrants outstanding	Grant date fair value(\$)	Exercise price (\$)	Expiry date
644,960	118,300	0.350	June 4, 2026
644,960	118,300	0.350	

The total fair value was estimated on the grant using the Black-Scholes option pricing model with the following average assumptions:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Risk-free interest rate	4.05%	1%
Share price at grant-date	\$0.335	\$0.25
Expected share price volatility (i)	104%	110%
Expected price at grant date	\$0.35	\$0.25
Expected dividend yield	-	-
Expected life	2 years	2 years

(i) Expected share price volatility was calculated using a blended rate of comparable junior mining exploration corporations.

KOBO Resources Inc.**Notes to Consolidated Financial Statements****Periods Ended March 31, 2025 and March 31, 2024****(Expressed in Canadian dollars)**

13. Net loss per common share

The calculation of basic and diluted loss per share for the twelve months ended March 31, 2025 was based on the loss attributable to common shareholders of \$5,596,149 (fifteen months ended March 31, 2024 - \$4,807,305) and the weighted average number of common shares outstanding of 98,202,607 (fifteen months ended March 31, 2024 - 75,075,453). Diluted loss per share did not include the effect of stock options, warrants and broker warrants as they are anti-dilutive.

14. Related party disclosures

These transactions occurred in the normal course of operations and are measured on terms equivalent to those that prevail in arm's length transactions.

The table below summarizes, for the respective periods, the total amount paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation or Corporations controlled by them:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Compensation of key management		
Share-based compensation	\$ 178,512	\$ 463,597
Management fees	269,271	393,604
Professional fees	43,459	29,801
Exploration expenses	226,872	235,802
	\$ 718,114	\$ 1,122,804

As at March 31, 2025 an amount of \$4,166 (\$34,447 as at March 31, 2024) is included in accounts payable regarding compensation of key management.

KOBO Resources Inc.**Notes to Consolidated Financial Statements****Periods Ended March 31, 2025 and March 31, 2024****(Expressed in Canadian dollars)**

15. Income taxes**(a) Income taxes**

Major items causing the Corporation's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2024 - 26.5%) were as follows:

	Twelve Months Ended March 31, 2025	Fifteen Months Ended March 31, 2024
Net loss:	\$ (5,596,149)	\$ (4,807,305)
Expected tax rate	26.50%	26.50%
Expected tax recovery:	(1,482,979)	(1,273,936)
Non-deductible items:		
Share-based compensation	48,521	138,343
Listing costs	-	93,416
Non-deductible expenses	117,396	112,194
Difference in foreign tax rates	63,485	33,219
Unrecognized tax benefit for the period	1,253,577	896,764
Total tax expense for the period	\$ -	\$ -

(b) Unrecognized tax benefit

Deferred income tax assets are recognized to the extent that the realization of tax benefit through future taxable profits is probable. Given the Corporation's past losses, management does not believe that is more probable than not that the Corporation can realize the deferred tax assets and therefore, it has not recognized any amount in the consolidated statement of financial position. The Corporation did not recognize any deferred tax assets.

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset, which have not been recognized, are approximately as follows:

	March 31, 2025	March 31, 2024
Unrecognized deductible temporary differences		
Non-capital losses - Canada	\$ 5,654,314	\$ 4,628,869
Non-capital losses - Ivory Coast	7,604,469	3,820,189
Property, plant and equipment	483,378	4,591
Share issue costs	848,900	606,073
Transaction costs	-	33,135
	\$ 14,591,061	\$ 9,092,857

KOBO Resources Inc.**Notes to Consolidated Financial Statements****Periods Ended March 31, 2025 and March 31, 2024****(Expressed in Canadian dollars)**

15. Income taxes (continued)

As at March 31, 2025, the Corporation has accumulated, for tax purposes, non-capital losses totaling \$5,655,000 at the federal and provincial (Quebec) levels that can be used to reduce future taxable income. These losses are detailed as follows:

Expiry date	
2034	\$ 39,000
2035	392,000
2036	439,000
2037	244,000
2038	202,000
2039	238,000
2040	341,000
2041	744,000
2042	203,000
2043	992,000
2044	775,000
2045	<u>1,046,000</u>
	<u>\$ 5,655,000</u>

As at March 31, 2025, the subsidiary has available tax losses for Ivory Coast income tax purposes of 3,289,075,000 CFA (\$7,814,000) which may be carried forward to reduce taxable income. The losses are detailed as follows:

Expiry date	CFA
2026	167,700,000
2027	259,348,000
2028	141,244,000
2029	944,574,000
2030	<u>1,776,209,000</u>
	<u>3,289,075,000</u>

16. Contingency**Environmental contingencies**

The Corporation's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, their impact and their duration are difficult to determine. At the present time and to the best knowledge of management, the Corporation is in conformity with these laws and regulations. Restoration costs will be accrued in the consolidated financial statements only when it can be determined that a present obligation exists, resulting from the environmental consequences of the exploration activities performed on the lands, and when it can be reliably estimated. Such obligation will be capitalized to the cost of the related assets at that time.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

17. Capital risk management

The Corporation manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return.

The Corporation monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Corporation may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Corporation's ability to continue to carry out its operating activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Corporation considers its capital to be equity, comprising share capital, stock options, warrants, broker warrants and accumulated deficit, which at March 31, 2025, totaled \$2,343,838 (March 31, 2024 - \$836,635).

The Corporation manages capital through its financial and operational forecasting processes. The Corporation reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities.

The Corporation's capital management objectives, policies and processes have remained unchanged during the period ended March 31, 2025. The Corporation is not subject to any capital requirements imposed by a lending institution or regulatory body other than the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2025, the Corporation believes it is compliant with the policies of the TSXV.

18. Financial risk management

Financial risk

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to cash. Cash is held with a major Canadian chartered bank, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. As at March 31, 2025, the Corporation had cash of \$99,232 (March 31, 2024 - \$130,659) and term deposit of \$2,101,352 (March 31, 2024 - \$559,674) to settle current liabilities of \$702,447 (March 31, 2024 - \$353,666). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

KOBO Resources Inc.

Notes to Consolidated Financial Statements

Periods Ended March 31, 2025 and March 31, 2024

(Expressed in Canadian dollars)

18. Financial risk management (continued)

(ii) Liquidity risk (continued)

The Corporation's ability to continually meet its obligations is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The contractual maturities of financial liabilities as at March 31, 2025, are as follows:

	Carrying amount	Contractual amount	Less than one year	Between one and two years
Trade payables and other payables	\$ 702,447	\$ 702,447	\$ 702,447	\$ -

The contractual maturities of financial liabilities as at March 31, 2024, are as follows:

	Carrying amount	Contractual amount	Less than one year	Between one and two years
Trade payables and other payables	\$ 353,666	\$ 353,666	\$ 353,666	\$ -

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity price.

(a) Interest rate risk

The Corporation has cash balances and no interest-bearing debt at March 31, 2025. The Corporation's current policy is to invest surplus cash in high yield savings accounts and guaranteed investment certificates issued by a Canadian chartered bank with which it keeps its bank accounts. The Corporation periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Corporation is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the CFA francs and US dollars.

The Corporation holds balances in cash, security deposits and trade payables and other payables in the CFA francs and also cash and trade payables and other payables in US dollars. Accordingly, the Corporation is exposed to foreign exchange risk due to exchange rate fluctuations. The Corporation does not use any derivatives to mitigate its exposure to foreign exchange risk.

CFA franc balances in Canadian dollars are as follows:

	As at March 31, 2025	As at March 31, 2024
Cash	\$ 71,547	\$ 65,282
Commodity taxes receivable	177,551	165,542
Security deposits	9,581	9,581
Accounts payable	(572,039)	(121,024)
Net balance in Canadian dollars	\$ (313,360)	\$ 119,381
Net balance in CFA francs	(131,657,615)	58,263,998

KOBO Resources Inc.**Notes to Consolidated Financial Statements****Periods Ended March 31, 2025 and March 31, 2024****(Expressed in Canadian dollars)**

18. Financial risk management (continued)**(iii) Market risk (continued)****(b) Foreign currency risk (continued)**

US dollars balances in Canadian dollars are as follows:

	As at March 31, 2025	As at March 31, 2024
Cash	\$ 50	\$ 14,628
Accounts payable	-	(11,410)
Net balance in Canadian dollars	50	3,218
Net balance in US dollars	\$ 35	\$ 2,383

Assuming that all other variables are constant, a 5% weakening or strengthening of dollar exchange rate would generate an immaterial impact on the net loss of the Corporation during the period ended March 31, 2025.

(c) Price risk

The ability of the Corporation to acquire new properties and the future profitability of the Corporation is directly related to the market price of certain minerals. The Corporation's risk management objectives are to ensure that business and financial exposures to risk that have been identified and measured are minimized using the most effective and efficient methods to reduce, transfer and, when possible, eliminate such exposures. Operating decisions contemplate associated risks and management strives to structure proposed transactions to avoid or reduce risk whenever possible.