Sanu Gold Corp.

Condensed Consolidated Interim Financial Statements

For the Six Months ended December 31, 2024 and 2023

(Expressed in Canadian Dollars – unaudited)

SANU GOLD CORP.

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For the Six Months ended December 31, 2024 and 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

		December 31, 2024 (unaudited)		June 30, 2024
ASSETS				
Current assets				
Cash	**$**	**6,541,437**	$	150,524
Receivables		**40,003**		2,939
Prepaid expenses		**49,179**		14,115
Investment (Note 5)		**4,862,876**		-
		11,493,495		167,578
Exploration and evaluation assets (Note 3)		**12,364,676**		10,690,780
Property and equipment (Note 4)		**730,868**		762,776
TOTAL ASSETS	**$**	**24,589,039**	$	11,621,134
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 6 and 10)	**$**	**600,565**	$	654,811
Loans payable (Note 7)		**-**		176,390
TOTAL LIABILITIES		**600,565**		831,201
EQUITY				
Share capital (Note 8)		**29,158,197**		15,286,028
Reserves (Note 9)		**1,168,897**		1,058,365
Accumulated deficit		**(6,397,897)**		(5,613,737)
Shareholders' equity		**23,929,197**		10,730,656
Non-controlling interests		**59,277**		59,277
TOTAL EQUITY		**23,988,474**		10,789,933
TOTAL LIABILITIES AND EQUITY	**$**	**24,589,039**	$	11,621,134

Nature of operations and going concern (Note 1)

These condensed consolidated financial statements were authorized for issue by the Board of Directors on February 28, 2025. They are signed on behalf of the Board of Directors by:

"Martin Pawlitschek"
Director

"Galen McNamara"
Director

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

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	For the Six Months Ended		For the Three Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
EXPENSES				
Consulting fees (Note 10)	**$ 392,265**	$ 541,383	**$ 177,688**	$ 258,499
Professional fees	**88,159**	46,580	**60,424**	21,050
Office expenses	**81,972**	114,373	**83,808**	54,847
Marketing and investor relations	**97,072**	95,572	**25,604**	16,830
Transfer agent and filing fees	**69,481**	40,914	**15,593**	33,576
Stock-based compensation (Note 9 and 10)	**110,532**	91,202	**40,678**	31,457
Foreign exchange loss/(gain)	**(55,321)**	33,668	**(167,357)**	23,469
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 784,160**	$ 963,692	**$ 236,438**	$ 439,728
Attributable to:				
Equity holders of the parent	**$ 784,160**	$ 963,692	**$ 236,438**	$ 439,728
BASIC AND DILUTED LOSS PER SHARE FOR THE PERIOD	**$ (0.00)**	$ (0.01)	**$ (0.00)**	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	**191,414,994**	94,953,038	**240,029,125**	120,453,038

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

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Cash Flow
(Expressed in Canadian Dollars - unaudited)

	For the Six Months Ended	
	December 31, 2024	December 31, 2023
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (784,160)**	$ (963,692)
Non-cash items:		
Stock-based compensation	**110,532**	91,202
Net changes in non-cash working capital items:		
Receivables	**(37,064)**	2,184
Prepaid expenses	**(35,064)**	(20,926)
Accounts payable and accrued liabilities	**(129,318)**	15,741
Net cash flows used in operating activities	**(875,074)**	**(875,491)**
INVESTING ACTIVITIES		
Property and equipment	**13,255**	(5,891)
Exploration and evaluation assets	**(1,580,171)**	(976,002)
Net cash flows used in investing activities	**(1,566,916)**	(981,893)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares net of share issuance costs	**9,009,293**	3,333,016
Repayment of loans	**(176,390)**	-
Net cash flows provided by financing activities	**8,832,903**	3,333,016
Net decrease in cash	**6,390,913**	1,475,632
Cash, beginning of period	**150,524**	832,391
Cash, end of period	**$ 6,541,437**	$ 2,308,023

	$	$
Supplemental cash flow information		
Exploration and evaluation assets included in accounts payable	**75,072**	-
Depreciation capitalized to exploration and evaluation assets	**18,653**	18,237
Interest Paid	**7,743**	-
Non-cash transactions		
Shares issued pursuant to Montage transaction	**4,862,876**	-

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

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

	Number of shares	Share capital	Reserve	Accumulated deficit	Total	Non-controlling interests	Total Equity
Balance at June 30, 2023	**69,453,038**	**$ 11,953,012**	**$ 923,392**	**$ (3,818,518)**	**$ 9,057,886**	**$ 116,183**	**$ 9,174,069**
Common shares issued for private placements	69,000,000	3,333,016	-	-	3,333,016	-	3,333,016
Stock-based compensation	-	-	91,202	-	91,202	-	91,202
Increase in ownership of subsidiaries	-	-	-	56,906	56,906	(56,906)	-
Net loss for the year	-	-	-	(963,692)	(963,692)	-	(963,692)
Balance at December 31, 2023	**138,453,038**	**$ 15,286,028**	**$ 1,014,594**	**$ (4,725,304)**	**$ 11,575,318**	**$ 59,277**	**$ 11,634,595**
Balance at June 30, 2024	**138,453,038**	**$ 15,286,028**	**$ 1,058,365**	**$ (5,613,737)**	**$ 10,730,656**	**$ 59,277**	**$ 10,789,933**
Common shares issued for private placements (Note 8)	245,000,000	14,808,761	-	-	14,808,761	-	14,808,761
Share issuance costs (Note 8)	-	(936,592)	-	-	(936,592)	-	(936,592)
Stock-based compensation (Note 9 and 10)	-	-	110,532	-	110,532	-	110,532
Net loss for the year	-	-	-	(784,160)	(784,160)	-	(784,160)
Balance at December 31, 2024	**383,453,038**	**$ 29,158,197**	**$ 1,168,897**	**$ (6,397,897)**	**$ 23,929,197**	**$ 59,277**	**$ 23,988,474**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sanu Gold Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 25, 2018. The head office of the Company is located at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 2501, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5. The Company is in the business of mineral exploration.

These condensed consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At December 31, 2024, the Company had cash of $6,541,437 (June 30, 2024 - $150,524) and its current assets exceed its current liabilities by $10,892,930 (June 30, 2024 – Current liabilities exceeded its current assets by $663,623). The Company currently has no active business and is not generating any revenue. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $6,397,897 as at December 31, 2024 (June 30, 2024 - $5,613,737). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its exploration activities and general and administrative costs in the next twelve months and in the future. These condensed consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended June 30, 2024 and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company's June 30, 2024 audited annual financial statements and the notes to such financial statements.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of December 31, 2024, the date these condensed consolidated interim financial statements were authorized for issuance by the Company's Board of Directors and follow the same accounting policies and methods of computation as the most recent annual financial statements.

<u>Material accounting judgments</u>

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements are as follows;

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Asset acquisition versus business combination

Management applied judgment with respect to whether the acquisitions completed (Note 3) were considered an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the companies acquired at the time of acquisition. Pursuant to the assessment, the transactions were considered to be asset acquisitions (Note 3).

Recoverability of the carrying value of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at December 31, 2024 and June 30, 2024, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Valuation of stock-based compensation

The Company uses the Black-Scholes option pricing model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

3. EXPLORATION AND EVALUATION ASSETS

The Company is focusing its exploration activities on three precious metals projects in Guinea, West Africa.

On October 21, 2021, the Company acquired 100% of the issued and outstanding shares of Gainde Gold SARL ("Gainde"), which held its interest in the three precious metals projects in Guinea through three separate Technical and Financial Partnership Agreements ("TFPA"); the Bantabaye Project, the Daina Project and the Diguifara Project. The TFPAs allow for the right to acquire up to an 85% interest in each of the projects, by funding a staged work program and other considerations. The acquisition of Gainde occurred by way of a share exchange on the basis of 163,000 common shares of the Company for each one Gainde share, for a total of 16,300,000 common shares of the Company. The Company accounted for the purchase of Gainde as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations".

In August 2022, the assets and liabilities of Gainde, which included the TFPAs, were transferred to the Company's wholly-owned Guinean subsidiary, Zirasanu SARL ("Zirasanu"). At that stage, the Company had satisfied the expenditure requirements under the TFPAs to acquire an initial 51% interest in each of the Daina, Diguifara and Bantabaye projects for no additional consideration, by acquiring 51% of the shares in each of the companies holding the TFPAs, Ressources Mining SARL ("RMS"), Mansa Sanou Exploration SARLU ("MSE") and Nature Exploration Discovery SARLU ("NED") (collectively the "Zirasanu Group"). For accounting purposes, the transaction constituted an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations".

Effective December 4, 2023 the Company acquired an additional 24% of the Zirasanu Group for no additional consideration, bringing its total ownership to 75%. Immediately prior to the transaction the carrying value of the existing 51% interest was $116,183. As a result of the additional acquisition, the Company recognised a decrease in the non-controlling interest of $56,906.

(Expressed in Canadian Dollars - unaudited)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Costs incurred with respect to the properties in are as follows:

		Bantabaye		Diguifara		Daina		Total
Acquisition Costs								
Balance, June 30, 2023	$	767,415	$	767,415	$	767,415	$	2,302,245
Additions		58,926		58,925		58,925		176,776
Balance, June 30 and December 31, 2024	$	826,341	$	826,340	$	826,340	$	2,479,021
Deferred Exploration Costs								
Balance, June 30, 2023	$	1,585,124	$	1,478,043	$	2,574,672	$	5,637,839
Additions								
Geophysics		119,968		16,989		17,202		154,159
Management costs and salaries		190,505		219166		233,756		643,427
Machinery and vehicle costs		1,276,525		129,993		110,325		1,516,843
Other costs		141,925		47,931		69,635		259,491
Balance, June 30, 2024	$	3,314,047	$	1,892,122	$	3,005,590	$	8,211,759
Additions								
Drilling		-		202,410		-		202,410
Geophysics		-		19,181		-		19,181
Management costs and salaries		87,253		37,761		98,328		223,342
Machinery and vehicle costs		31,208		367,594		490,575		889,377
Other costs		98,729		114,404		126,453		339,586
Balance, December 31, 2024	$	3,531,237	$	2,633,472	$	3,720,946	$	9,885,655
Total								
June 30, 2024	$	4,140,388	$	2,718,462	$	3,831,930	$	10,690,780
December 31, 2024	$	4,357,578	$	3,459,812	$	4,547,286	$	12,364,676

4. PROPERTY AND EQUIPMENT

		Construction in progress		Technical installations and hardware		Industrial and transport equipment		Total
Cost								
Balance, June 30, 2023	$	644,839	$	37,263	$	84,061	$	766,163
Additions		42,695		6,599		1,290		50,584
Balance, June 30, 2024		687,534		43,862		85,351		816,747
Additions		56,219		7,810		835		64,864
Disposals		(78,119)		-		-		(78,119)
Balance, December 31, 2024		665,634		51,672		86,186		803,492
Accumulated amortization								
Balance, June 30, 2023		-		7,040		12,735		19,775
Additions		-		16,778		17,418		34,196
Balance, June 30, 2024		-		23,818		30,153		53,971
Additions		-		8,299		10,354		18,653
Balance, December 31, 2024		-		32,117		40,507		72,624
Net book value								
Balance, June 30, 2024	$	687,534	$	20,044	$	55,198	$	762,776
Balance, December 31, 2024	$	665,634	$	19,555	$	45,679	$	730,868

(Expressed in Canadian Dollars - unaudited)

5. INVESTMENTS

On December 31, 2024, the Company acquired 2,337,921 common shares of Montage Gold Corp., a company listed on the TSX Venture Exchange, as part of a share exchange transaction (Note 8). The fair value of these shares was measured based on their market price as of December 31, 2024, totalling $4,862,876. The shares are subject to a hold period of four months and one day and therefore no sale of the shares occurred during the six months ended December 31, 2024.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At December 31, 2024 and June 30, 2024, the Company's accounts payable and accrued liabilities are composed of the following:

	December 31, 2024	June 30, 2024
Accounts payable (Note 9)	$ 404,750	$ 444,903
Accrued liabilities	195,815	209,908
Total	$ 600,565	$ 654,811

7. LOANS PAYABLE

On June 1, 2024, the Company secured a loan of $175,000 from Carrera Capital International Ltd. ("Carrera Capital") through a promissory note. The loan carried an annual interest rate of 10% (simple interest) and was repayable on demand. Carrera Capital agreed not to require repayment within the first three months following the initial advance unless otherwise agreed in writing. On August 19, 2024, the Company secured an additional loan of $65,000 from Carrera Capital under similar terms. Both loans, including accrued interest totalling $7,743, were fully repaid on September 26, 2024.

8. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

As of December 31, 2024, the Company had 383,453,038 common shares outstanding (June 30, 2024 – 138,453,038).

Share issuances

Six months ended December 31, 2024:

On September 26, 2024, the Company completed a non-brokered private placement of 100,000,000 common shares at a price of $0.05 per common share for aggregate gross proceeds to the Company of $5,000,000. The Company incurred $224,458 in share issuance costs in connection with the private placement.

On December 31, 2024, the Company issued a total of 145,000,000 common shares through a strategic partnership and a private placement, as detailed below:

- The Company issued 76,307,155 common shares to Montage Gold Corp. at a deemed price of $0.072 per share, representing 19.9% of the Company's post-closing share capital. This issuance was part of a strategic partnership, through which the Company received 2,337,921 common shares of Montage Gold Corp., which have a fair value of $4,862,876 as of December 31, 2024 (Note 5).

- The Company completed a private placement, raising gross proceeds of $4,561,297. A total of 63,351,344 common shares were issued at $0.072 per share.

- The Company issued 5,341,501 common shares with a fair value of $384,588 in respect of financial advisory services rendered in relation to the share exchange transaction. These were recorded as share issuance costs.

(Expressed in Canadian Dollars - unaudited)

8. SHARE CAPITAL (continued)

The Company incurred cash share issuance costs of $327,546 regarding the December 31, 2024 financings.

Six months ended December 31, 2023:

On October 24, 2023, the Company completed a non-brokered private placement of 69,000,000 common shares at a price of $0.05 per common share for aggregate gross proceeds to the Company of $3,450,000. The Company incurred $116,984 in share issuance costs in connection with the private placement.

Escrow

At December 31, 2024, there were 3,598,800 shares in escrow (June 30, 2024 – 5,114,025). These shares will be fully released by July 2025.

Stock options

On December 31, 2024, the Company granted 13,475,000 stock options. Each stock option is exercisable into one common share of the Company at a price of $0.16 per common share for five years and vesting 25% every six months. The fair value of the stock options is determined using the Black-Scholes Option Pricing Model, but as vesting of the options commences after the period end, no stock-based compensation has been charged in the period.

During the six months ended December 31, 2024, the Company recognized $110,532 (2023 - $91,202) in stock-based compensation expense for vested stock options previously granted.

A continuity schedule of the Company's outstanding stock options as at December 31, 2024 and June 30, 2024 is as follows:

	December 31, 2024			June 30, 2024		
	Number outstanding		Weighted average exercise price	Number outstanding		Weighted average exercise price
Outstanding, beginning of period/year	**10,870,000**	$	0.15	**5,720,000**	$	0.19
Granted	13,475,000		0.16	6,000,000		0.12
Forfeited	-		-	(850,000)		0.21
Outstanding, end of period/year	**24,345,000**	$	0.16	**10,870,000**	$	0.15
Exercisable, end of period/year	6,320,000	$	0.17	4,477,500	$	0.17

At December 31, 2024 the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price
November 8, 2026	3,300,000	3,300,000	$ 0.10
August 16, 2027	1,370,000	1,370,000	$ 0.37
February 21, 2028	200,000	150,000	$ 0.40
February 23, 2029	6,000,000	1,500,000	$ 0.12
December 31, 2029	13,475,000	-	$ 0.16
	24,345,000	6,320,000	$ 0.16

At December 31, 2024, the weighted-average remaining contractual life of options outstanding was 4.22 years.

(Expressed in Canadian Dollars - unaudited)

8. SHARE CAPITAL (continued)

Warrants

A continuity schedule of the Company's outstanding warrants as at December 31, 2024 and June 30, 2024 is as follows:

	December 31, 2024	June 30, 2024
Outstanding, beginning of period/year	5,832,457	5,832,457
Issued	-	-
Exercised	-	-
Outstanding, end of period/year	5,832,457	5,832,457

The outstanding warrants are exercisable at a price of $0.40 per share and expire on February 17, 2026.

9. RESERVES

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options is determined by the Board of Directors, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the options are granted, less any discount permitted by the Exchange. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

10. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Key management compensation is as follows:

	6 months ended		3 months ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Consulting fees	$ 315,500	$ 360,771	$ 148,930	$ 163,606
Stock-based compensation	61,487	43,454	22,865	17,084
	$ 376,987	$ 404,225	$ 171,795	$ 180,690

As at December 31, 2024, the Company had $104,230 (June 30, 2024 - $277,762) payable to a company with a common director and to a director of the company, which have been included in accounts payable and accrued liabilities (Note 6). The amounts are unsecured, non-interest bearing with no set terms of repayment. These transactions are in the normal course of operations on normal commercial terms and conditions, which is the amount of consideration established and agreed to by the related parties.

(Expressed in Canadian Dollars - unaudited)

11. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

12. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

		December 31, 2024		June 30, 2024
Financial assets:				
Amortized cost				
Cash	$	6,541,437	$	150,524
Receivables		40,003		2,939
Financial liabilities:				
Amortized cost				
Accounts payable	$	404,750	$	444,903
Loan payable		-		176,390

The fair values of the Company's cash, receivables, accounts payable and loan payable approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

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. At December 31, 2024 and 2023, the Company was exposed to credit risk on its cash and receivables The Company's maximum exposure to credit risk is the carrying amount of its cash and receivables.

The Company's cash is held with high-credit quality financial institutions. Management considers its exposure to credit risk on cash and receivables to be low as at December 31, 2024 and 2023.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

(Expressed in Canadian Dollars - unaudited)

12. FINANCIAL INSTRUMENTS (continued)

At December 31, 2024, the Company had cash of $6,541,437 (June 30, 2024 - $150,524) and accounts payable and accrued liabilities of $600,565 (June 30, 2024 - $654,811) with contractual maturities of less than one year. The company assessed its liquidity risk as low as at December 31, 2024 and June 30, 2024.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at December 31, 2024 and June 30, 2024.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies As at December 31, 2024 and June 30, 2024, the Company had exposure to foreign currency risk through assets and liabilities denominated in West African CFA Franc (XOF) and Guinean Franc (GNF).

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

	As at	
	December 31, 2024	June 30, 2024
Cash	1,721,740	2,951,137
Receivables	-	269,600
Accounts payable	(39,308,843)	(37,856,610)
Net	(37,587,103)	(34,635,873)
Canadian dollar equivalent	$ (85,347)	$ (77,504)

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

	As at	
	December 31, 2024	June 30, 2024
Cash	300,350,784	54,918,491
Receivables	48,360,000	-
Accounts payable	(371,474,036)	(1,245,358,911)
Net	(22,763,252)	(1,190,440,420)
Canadian dollar equivalent	$ (3,788)	$ (189,280)

Based on the above net exposures, a 10% change in the Canadian Dollar/XOF and Canadian Dollar/GNF exchange rate would impact the Company's net loss by $11,000 (June 30, 2024 - $8,000) and $500 (June 30, 2024 - $18,000), respectively. As at December 31, 2024 and June 30, 2024 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as low as at December 31, 2024.

13. SEGMENT DISCLOSURES

The Company operates in a single operating segment. All of the Company’s long-term assets are located in Guinea, West Africa.